



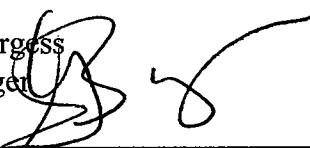
## MEMORANDUM

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**TO:** Honorable Alex Penelas, Mayor  
Honorable Chairperson Barbara Carey-Shuler, Ed.D and Members, Board of County Commissioners

**FROM:** George M. Burgess  
County Manager

**SUBJECT:** Transit Summer Study



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I have had the opportunity to thoroughly review the results of the transit "summer study" relating to the organizational structure of our ground transportation program, and a series of memoranda separately issued on the same topic by the Mayor, Chairperson, and Chair of the Transportation Committee. I share their view that successful implementation of the People's Transportation Plan (PTP) is vitally important to our community's future. Last November, the public demonstrated enormous trust in our government with their approval of the PTP. I intend to fully commit County resources to fulfilling our pledge to the community and to maintaining their trust. I am pleased to say that upon review of our efforts to date, I believe we are making appropriate headway implementing the PTP: we are ahead of our original commitment to double bus service in five years, and we have recently secured a favorable recommendation from the Federal Transit Administration (FTA) for the North Corridor rail project.

I must also note that although we have made progress, there are several areas where we must increase our effectiveness. Perhaps the most notable of these from the public's perspective is our present *business model*. Almost from the time of its creation last November, the Office of Public Transportation Management (OPTM) has drawn critical attention. It was originally created to provide management of the activities included in the PTP. This was to include staff support to the Citizen's Independent Transportation Trust (CITT), along with responsibility for planning and service development, project control, design and construction, and public affairs.

By January, the disconnect between Miami-Dade Transit (MDT) and OPTM functional responsibilities became evident. Multiple functions (including budget, finance, grants, audit, procurement, contract management, joint development, bus route planning, and public outreach) contained a degree of overlap. Despite an attempt by the previous County Manager to further clarify responsibilities through his direction to create memoranda of understanding between the departments, several departmental business activities remained redundant. Even today, significant overlap exists in their business plans. I must also add that the ambiguous separation of responsibilities is causing a rift in our transit program, leading to unhealthy working relationships. The present structure has increased costs as well by requiring additional positions and by failing to optimize our rapid build-up in bus service.

I have examined several possible organizational remedies for the current business model, including those proposed in the memoranda mentioned above. I must say directly that I prefer a single, unified department with responsibilities for both transit operations and expansion functions. Exhibit I depicts my preferred organizational structure. It features three reporting chains: one for operations, one for the

expansion program, and third chain providing administrative support (budget, finance, human resources, grants, etc.). This is the dominant model found in our survey of the national landscape (Exhibit II); it is the model preferred by the Office of Performance Improvement (OPI) (attached Transit Summer Study); and it conforms to organizational theory, which calls for clear lines of authority and responsibility. By having a single executive who is accountable for the success of both operations and the expansion program, we can avoid many of the problems inherent in our present business model. An administrative chain will provide the proper balance and consistency for financial planning/budgeting, human resources, information technology, and other support activities.

I know that opinions vary greatly as to what the organizational structure for our transit program should be, and that there are concerns over managerial staffing decisions. I hope that we all agree that our first order of business is ensuring the success of the PTP. This commitment is shared by the Directors of OPTM and MDT. In a lengthy meeting I recently held with them, all of us agreed that a single department combining operating and expansion responsibilities is the most effective model. I would like to add that while I have not made final staffing decisions for the proposed department, I value the contributions made by both Directors. It is my intention to retain and make the most of their talents within our organization.

While clarifying our business model has garnered much of our attention, there are several other important PTP concerns that we must draw into focus. The remainder of this memorandum will lay out my recommendations for empowering the Citizens Independent Transportation Trust (CITT), establishing a program management model (i.e., expansion related County and contracted professional staffing levels), expediting highway and roadway improvements, and PTP *pro forma* and service level adjustments.

### **CITIZENS INDEPENDENT TRANSPORTATION TRUST**

Critical to the passage of the People's Transportation Plan was the idea of citizen oversight. The Mayor has made clear to me his view that we must develop a structure that fully empowers the CITT. It must be staffed in such a way that it can make informed and independent decisions, and so that it can effectively carry out its fiduciary responsibilities. Exhibit III presents my recommendation for establishing a Secretariat function. The Secretariat structure would parallel that of the CITT, and the CITT would have a direct link to the Office of the County Manager. While I have yet to fully determine staffing levels, I am proposing that the CITT have a Secretariat consisting of possibly six or seven professional staff. The reporting relationship is not unlike that of the Metropolitan Planning Organization (MPO). In the future, I will work with each of these organizations to ensure that mechanisms are in place to properly coordinate their respective planning functions, and that both bodies have well-coordinated Secretariats.

### **PROGRAM MANAGEMENT MODEL**

A third area of importance for successful implementation of the PTP involves our program management model. Our program management approach outlines the manner in which we integrate roles and responsibilities of internal County staff with contracted professional planning and engineering support

staff. The choices we make in this area are extremely important. If we are able to fully construct the rail system as envisioned under the PTP, soft costs over the length of the twenty year program (which typically run in the range of 15% of total construction expenses) are likely to exceed one billion dollars.

Although I intend to take additional time developing our program management strategy, I do have some initial ideas. Exhibit IV provides some suggestions as to how the County might staff and retain oversight of the expansion program. In general, I believe we must retain sufficient in-house expertise in every discipline to maintain program control. In terms of contracted assistance, I am exploring the option of contracting for a single private entity to have a strong role in scope control, estimating, scheduling, budgeting, and expense tracking and analysis. I would compliment our limited County staff with multiple design and engineering firms to provide support for planning functions (land use, environmental, real estate acquisition, etc.), preliminary engineering, design engineering, and construction management.

As part of my amended budget submission for a unified department, I have taken a conservative approach to adding development related positions. Whereas nearly 150 additional positions were originally requested, I am authorizing approximately 30. When I am more comfortable with our program management model, I will return to the Board with detailed recommendations for both internal professional staffing levels and contracted support.

#### **HIGHWAY AND ROAD IMPROVEMENTS**

While I have been pleased with the progress made to date in implementing bus service improvements and rapid transit planning, my fourth concern relates to the speed with which we are implementing various highway and road improvements. Under the PTP, we committed to a series of highly visible improvements that were important to the community. These included enhancing road intersections, school crossing signals, greenways and bikeways, and road surfaces. We have lost time in implementing these improvements by not establishing a rapid funding approach, and by not aggressively pursuing contracted assistance. I will be working with the Director of Public Works, my Assistant County Manager, and others to hasten these improvements and to develop an approach that keeps the public informed of our progress.

#### **PTP PRO FORMA AND SERVICE ADJUSTMENTS**

My final area of concern involves PTP financial projections (the *pro forma*) and the manner in which we rationalize service levels. The PTP *pro forma* is a living document that will be with us for some time to come. It spans twenty years of bus and rail operations, rapid transit expansion projects, and highway and road improvement programs. All told, the pro forma calls for approximately \$10 billion in capital construction and acquisitions, and about \$7 billion in operating support for our mass transit system. The model assumes specific levels of sales tax proceeds, fare-box recoveries, federal financial commitments, construction and operating costs, inflation factors, and financing options. We need to understand that the model will continually undergo change during its twenty year life-cycle, and that even seemingly small assumption adjustments can have major financial impacts.

That said, there are significant and worrisome impacts on the original *pro forma* of which we are already aware. We are currently updating the pro forma with the assistance of Public Financial Management. The newest revision, due in late October, will take into account recent changes to union contracts, retirement and health insurance costs, lower than expected fare-box recovery rates, and the effects of our accelerated service expansion. It will also change the method for calculating bus mile expansion costs.

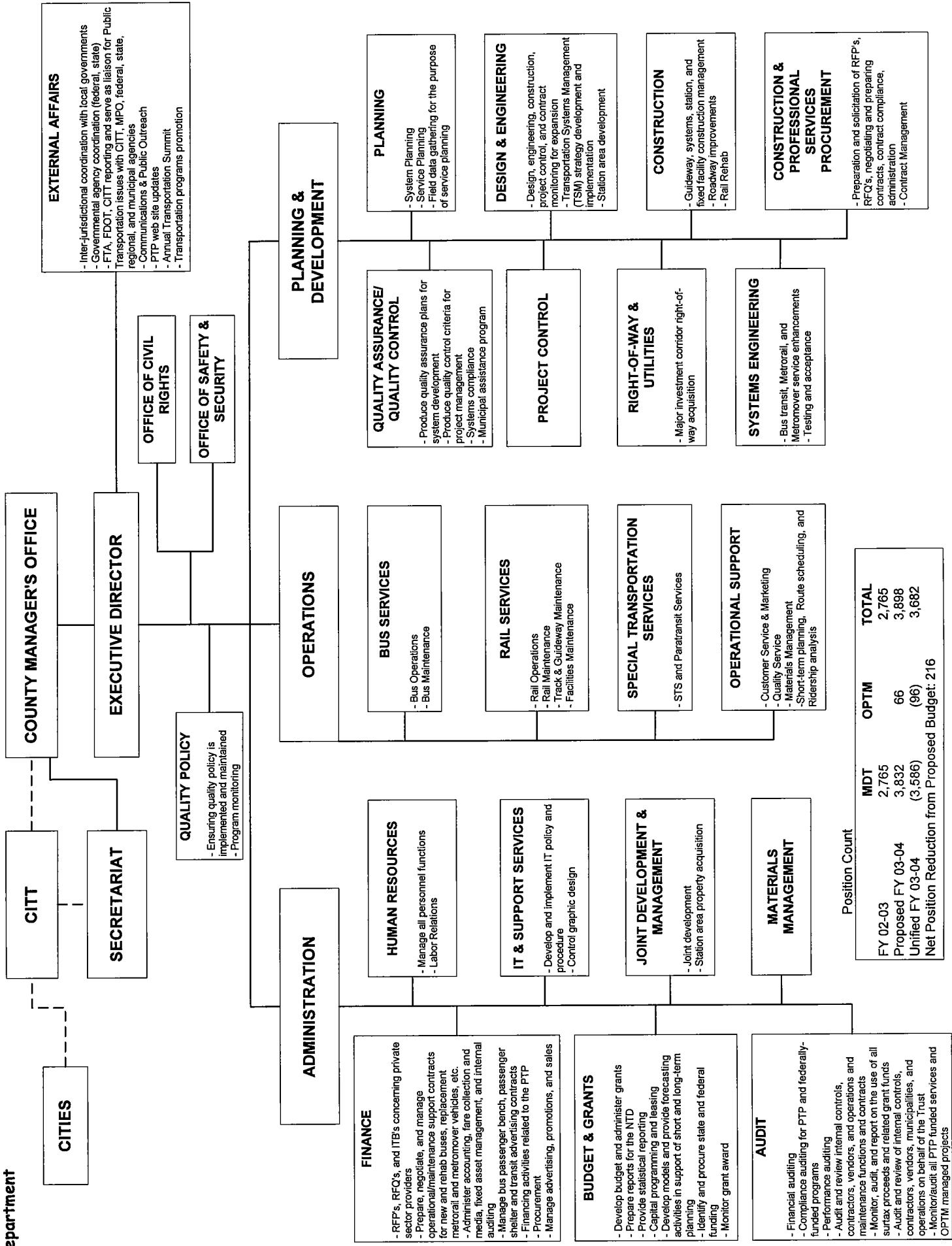
My proposed budget for a unified department provides for a continuing expansion of bus services, but at a rate consistent with our original pledge to double service over five years. By slowing the expansion rate, we can reduce budgeted positions by 209; by creating a unified department, we can potentially further reduce required positions by seven. The combined effect of these two changes reduces the proposed operating budget (excludes debt service financing) by \$6 million for the coming fiscal year. Refer to Exhibit V for details. As I stated earlier, we can revisit staffing and service levels with the development of our program management approach and when the updated *pro forma* becomes available.

My final thoughts concern the manner in which we examine and adjust transit services. We are remaining faithful to our various pledges under the PTP to expand services, but we must establish an approach acceptable to the CITT which allows us to make adjustments when necessary. When certain routes or services prove over an extended period of time to be ineffective, we should have a process that allows us to redirect resources to more productive areas. Several routes added under the PTP are showing limited ridership, and twenty-four hour rail service is proving tremendously expensive on a per rider basis. Just as I spoke of the flexibility required to keep our PTP financial plan viable, we must also continually review and assess transit services. In each case, we must select strategies that allow us to keep our pledge to the public.

This is an exciting time to be working for County government. We have made tremendous investments in our future. We have expanded our seaport and our airport, improved our parks and neighborhood infrastructure, and with the PTP we are making a much needed investment in our public transportation system. I look forward to implementing the PTP program in the manner outlined above, and I hope to work with the Mayor and Board to build public confidence for a unified, Countywide general obligation bond program to be presented for voter approval next year.

#### Attachments

**Exhibit I: Consolidated Transit  
Department**



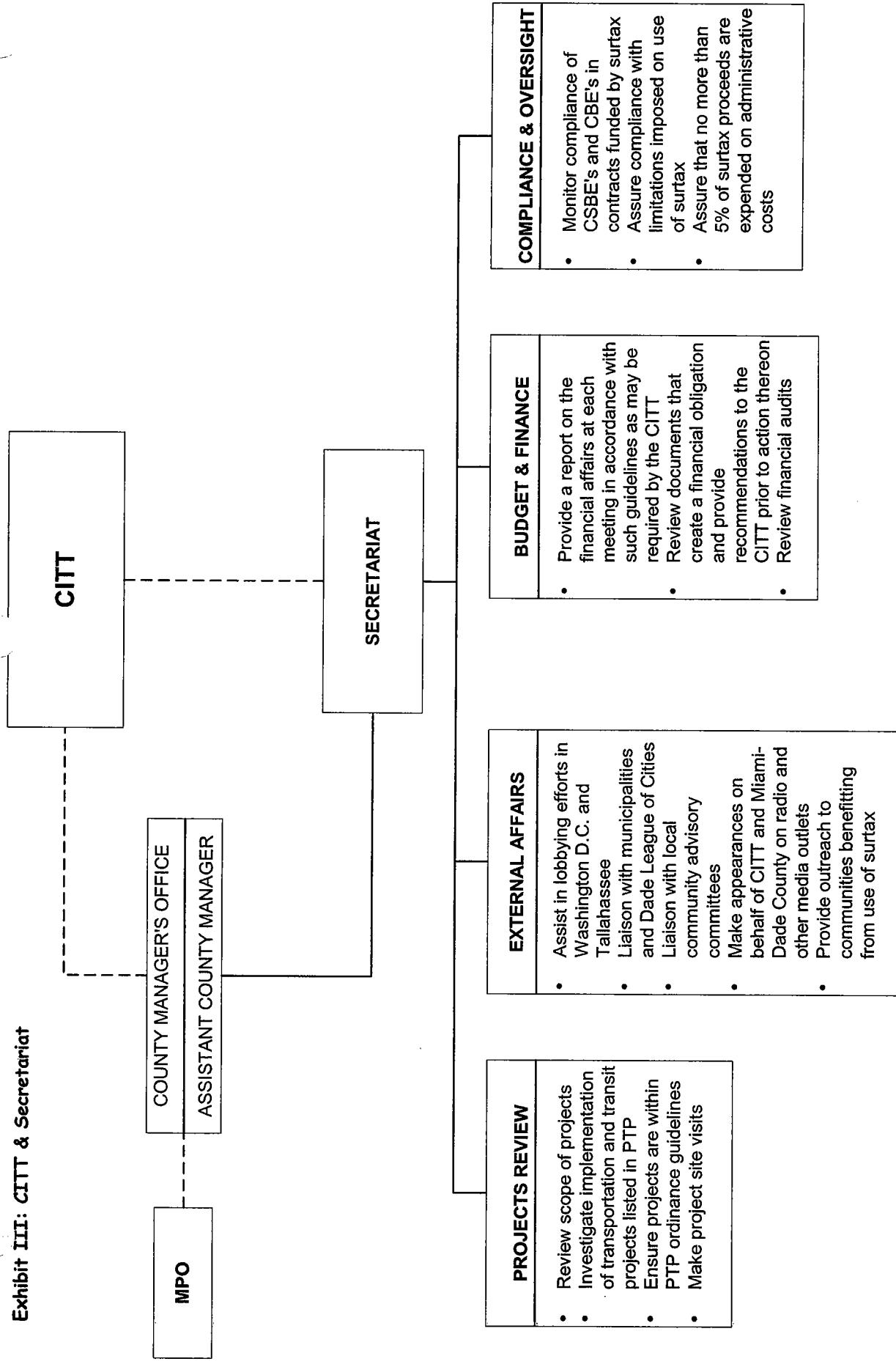
# Overview of Survey Findings\*: Business Models



X	Phoenix Valley Metro Rail	X	Chicago Transit Authority	X	Sound Transit (Seattle/Tacoma, WA)
X	Houston Metro	X	Rapid Transit Authority	X	San Francisco Municipal Railway
X	Metropolitan Atlanta Rapid Transit Authority	X	Santa Clara Valley Transportation Authority	X	Massachusetts Bay Transportation Authority
X	Southeastern Pennsylvania Transportation Authority	X	Washington Metropolitan Area Transit Authority	X	Metropolitan Council (Minneapolis-St. Paul)

\*The Office of Performance Improvement conducted a nationwide survey of large local and regional transit organizations undergoing major capital expansion and/or refurbishment programs.

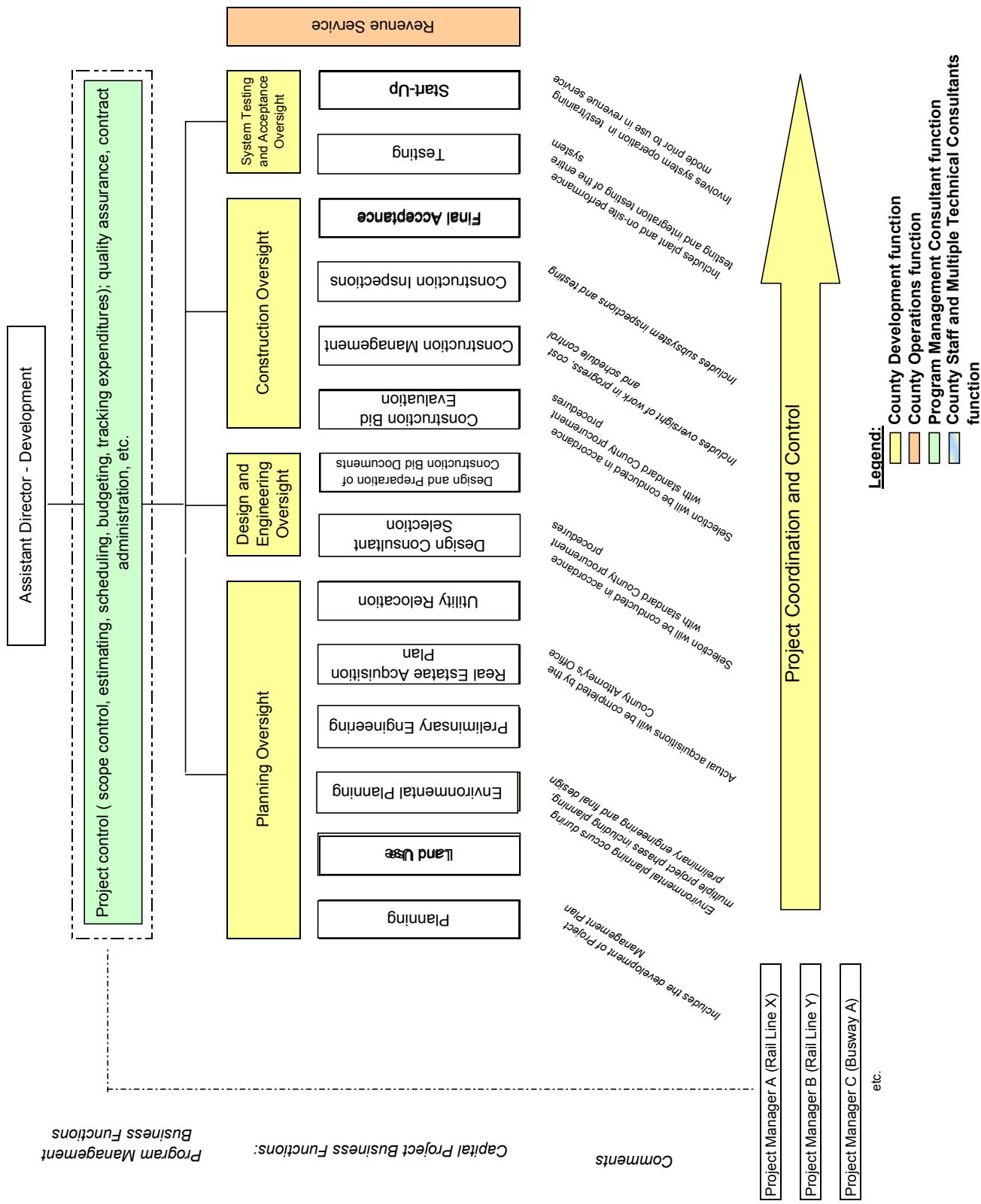
**Exhibit III: CITT & Secretariat**



**Exhibit IV: Program Management Model**

**Program Management Model:**

County Oversight  
Single Program Management Consultants  
Multiple Technical Consultants



**EXHIBIT V: MIAMI-DADE TRANSIT REVENUE FUND**

	<b>2003-04 Budget</b>	
	<b>Proposed</b>	<b>Revised</b>
<b>Revenues:</b>		
PTP Special Revenue Fund Carryover	\$ 18,885,000	\$ 18,885,000
Sales Tax Revenues	154,000,000	154,000,000
Interest	1,200,000	1,200,000
Transfer from General Fund	118,620,000	118,620,000
Transit Fares and Fees	80,830,000	73,791,000
Transfer from Fund 413, Subfund 413	1,751,000	1,751,000
Transfer from Disadvantaged Program (Fund 413, Subfund 413)	1,400,000	1,400,000
Transfer from Capital Improvement LOGT Program (Fund 337, Subfund 337)	14,760,000	14,760,000
Bus Feeder Support from Tri-Rail	667,000	667,000
State Operating Assistance	16,287,000	16,287,000
Non-Operating Revenues	5,530,000	6,400,000
Total	<u>413,930,000</u>	<u>407,761,000</u>
<b>Expenditures:</b>		
Transfer to Office of Public Transportation Management (OPTM) - Operating *	\$ 6,403,000	\$ 6,603,000
Transfer to Miami Dade Transit (MDT) - Operating *	315,570,000	309,159,000
Transfer to Municipalities	32,600,000	32,600,000
Transfer to Capital Fund (Fund 411, Subfund 200)	28,559,000	28,559,000
Transfer to PTP Special Revenue Fund Carryover	30,798,000	30,840,000
Total	<u>413,930,000</u>	<u>407,761,000</u>

\* Total allocations from transit programs (OPTM and MDT) reflect a decrease of approximately \$6 million. Final allocations will be determined following Board approval of transit organizational structures.

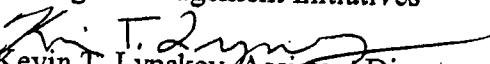


## MEMORANDUM

TO: Bill Johnson, Assistant County Manager  
Transportation Manager

FROM: Corinne Brody, Special Assistant  
Strategic Management Initiatives

DATE: August 15, 2003

FROM:   
Kevin T. Lynskey, Assistant Director  
Office of Performance Improvement

SUBJECT: Transit Summer Study

In a July 17, 2003 memorandum to the directors of the Office of Public Transportation Management (OPTM) and Miami-Dade Transit (MDT), the County Manager outlined a series of concerns relating to the implementation of the People's Transportation Plan (PTP). Several of his issues revolved around the suitability of the existing *business model* and *business plans* to fulfill the mandates of the PTP, while others were chiefly of a financial nature. Specifically, the Manager expressed concern about the accuracy of the PTP *pro forma*, the manner in which associated operating and capital expenditures are being balanced, and the ability of OPTM and MDT to remain within approved funding levels for the current fiscal year. In response to the Manager's directive, you requested that the Office of Performance Improvement (OPI) produce a comprehensive report addressing these issues, and that the Office of Management and Budget (OMB) work with the OPTM and MDT to resolve certain budgetary questions.

In response, OPI has developed this memorandum and its attachments as a menu-driven tool to assist the Manager in selecting an appropriate PTP *business model*, *program management model*, and *pro forma* service expansion plan. Our report includes analysis of various options, as well as the findings from a national survey of eleven public transportation expansion programs. We have also included *business plans* that reflect current OPTM, MDT and the Department of Public Works (DPW) operations. Based on the Manager's direction, we will refine this product for presentation to the Board prior its September budget hearings.

Our report is the product of the combined efforts of the departments mentioned above. We received additional assistance from the Center for Urban Transportation Research at the University of South Florida and Public Financial Management, the financial consulting firm tasked with updating the *pro forma*.

### REPORT OVERVIEW AND SUMMARY FINDINGS

Our report has four attachments:

- *Business Models*
- *PTP Pro Forma and Service Plans*
- *Program Management Models*
- *Business Plans*

Each attachment presents a series of options along with their associated strengths and weaknesses, with the exception of the *Business Plans* section which merely reflects existing departmental plans. We have summarized the key findings of our report, including our survey results, in the narrative below.

### Business Models

Three basic business model options were identified for transit programs undergoing major expansions. *Option I* is reflective of the current organizational structure found with Miami-Dade County, which includes a major transit operating department and a separate, stand-alone program development function. *Option II* consists of a single organization with a centralized program expansion function, but shared administrative functions (e.g., budget, finance, human resources, audit, etc.). *Option III* depicts a single organization that blends, to the degree possible, program expansion functions into a transit operations structure.

OPTM and MDT have each developed a preferred version of *Option II*, which presents a single, unified department. We have appended these charts to the end of the *Business Models* section.

### *Survey Highlights*

Of the eleven public transportation systems with large expansion programs, we found that Miami-Dade County virtually stands alone in the manner in which it is now organized. *We found no other major transit provider that had separated the operating and expansion functions while maintaining two independent directors.* In nearly every major urban area, transit services are provided by an authority that has a full-time executive director, president or general manager who reports to a policy board. The leadership position of an authority is not the equivalent of an Assistant County Manager who is tasked with managing multiple departments and functions.

Our survey also revealed an array of organizational structures that were patterned to reflect the political realities of providing services to multiple general purpose governments. Factoring out these effects, it became clear that authorities ultimately have all transit functions reporting to a full-time executive, and that these organizations tended to have a well-defined structure for their expansion programs similar to *Option II*.

#### *Option I: Separate Departments*

As reflected in their business plans, multiple functions within MDT and OPTM have a degree of overlap, including areas such as budget, finance, grants, audit, procurement, contract management, joint development, bus route planning, and public outreach. One approach to more clearly delineating functions would be to view OPTM as a manager of both the PTP program expansion and federal funds. In this role, OPTM would have primary responsibility for financial modeling and budgets, system planning, engineering, construction management, auditing, quality control, compliance, reporting and public outreach. MDT would focus primarily on operations, including those of bus, rail, and special transportation services. MDT would also retain limited financial (i.e., fare collection, advertising management, accounting, etc.), budgeting, short-term route planning and analysis, and quality service functions.

Other options can be developed which more narrowly define OPTM's role. For example, OPTM's purview could be limited to the PTP expansion program, or to just its rail expansion component. These options would reflect, however, a greater degree of overlapping functions between MDT and OPTM. Consequently, we have elected to analyze the efficacy of the expanded OPTM function, which includes managing both the PTP program expansion and federal funding.

**Strengths:**

- High degree of accountability to the Citizens' Independent Transportation Trust (CITT) and to the Federal Transit Administration (FTA)
- Coherent expansion planning and program management functions
- Customized staff

**Challenges:**

- Inadequate line of authority / lack of executive authority
- Duplicative functions and personnel in transit expansion and operating programs
- Potential disconnect between planning and operations
- Difficulty in maintaining discipline of *pro forma*

*Option II: Single Department, Centralized Development Functions*

This option presents a single department under the control of one executive which has a distinct operations chain, development chain, and an administrative group which serves the entire department. This option was the one most commonly found in our survey results, and is the preferred business model of the Office of Performance Improvement.

**Strengths:**

- Appropriate executive authority and reporting structure
- Efficient and effective use of planning and administrative resources
- Strong accountability for success of overall transit program
- Reduces opportunity for 'empire building'

**Challenges:**

- Added difficulty in isolating expansion expenditures

*Option III: Single Department, Decentralized Development Functions*

This option depicts a single department, responsible for both operations and expansion, that distributes its expansion functions within the framework of an operating department. Rail expansion functions are located within a rail reporting chain, and bus expansion functions are in a bus operations chain. Although this was not the prevalent model identified in our survey, certain authorities do blend a greater degree of functions than those in the previous option.

**Strengths:**

- Appropriate executive authority
- Promotes coordination of planning and operations within bus and within rail systems

**Challenges:**

- Decreased ability to plan and control coherent expansion program
- Difficulty in isolating expansion expenditures
- Potential staff duplications

### Program Management Models

Multiple definitions exist for the term *program management*. For the purpose of this report, program management will mean PTP *implementation planning* and a *project management* approach. *Global planning* will remain primarily the responsibility of the CITT, within the constraints of the previously defined roles of the County Manager, Metropolitan Planning Organization, and the Board of County Commissioners.

Program management for an expansion effort the size and complexity of the PTP will require both in-house and contracted staff. We have elected to present three simplified program management model options, though any number are possible. Each of our options is predicated on there being a single program manager for the entire PTP, as we saw no advantage to proposing multiple program managers for separate elements of the PTP.

*Option I* is very similar to the program management approach of the San Francisco Municipal Railway, wherein in-house staffs perform almost every function. *Option II* is similar to the approach employed by the Aviation Department's use of Dade Aviation Consultants. As part of this option, the department maintains and has responsibility for the expansion program, though most of the program coordination and administration, planning, design quality control, and construction oversight functions are contracted to a single program manager. *Option III* is most similar to the model employed by the Miami-Dade Expressway Authority, in which every major function is fully staffed by contracted personnel.

The program management charts attempt to parallel our proposed organizational structure for the expansion function. Each chart identifies planning, design and engineering, and construction oversight functions and sub-functions. The charts include, as well, a simplified depiction of program oversight and 'matrixed' project management responsibilities. *The charts do not capture assumed staffing levels nor, in the case of Option II, the mix of County and non-County employees.*

We assume that some variant of *Option II* that uses both County and non-County staffing will be selected. The development and implementation of the program management plan, to include a solicitation and awards process, is very time-consuming. A full model should identify all primary program and project management functions, requisite staffing levels, the mix of County and non-County personnel, an approximation of how staffing levels would adjust over time, and funding sources.

Although a full model will not be possible within the time-constraints of our budgeting process, intelligent staffing decisions can be made based upon slight refinements of *Option II*. Program management staffing recommendations will also be informed by federally mandated time-lines associated with transportation funding cycles, and by assumptions made by the Director of OPTM in his request for approximately one-hundred and fifty (150) additional positions. Mid-year corrections can be made to adjust for our approach to contracting for program and project management assistance. Consulting assistance and/or a peer review may help us hone our program management strategy.

Several criteria should be considered in determining which positions and functions should be contracted and which should remain in-house. At a minimum, the County must retain sufficient

expertise to provide global planning recommendations to the CITT, and to maintain appropriate control and oversight of contracted staff. The County should also factor in cost considerations, the changing nature of the skills sets required over time (i.e., length of employment issues), and the need to attract through competitive salaries hard-to-find expertise.

### *Survey Highlights*

Of the eleven jurisdictions surveyed, we found three (Chicago, Houston and Minneapolis-St. Paul) that had contracted with a single program or project manager to provide technical expertise and support for most functions of the project life cycle. An additional jurisdiction, Southeastern Pennsylvania, outsourced a significant portion of its overall capital program management.

While a few jurisdictions—notably Boston and San Francisco—utilize very few outside contractors or consultants, most jurisdictions have opted to retain in-house control of the planning functions as well as service delivery, while utilizing consultants or contractors for a number of other functions. The functions most commonly outsourced include environmental impact statements, design and engineering, and construction management and inspections. Jurisdictions cited a number of factors involved in decision making regarding the use of consultants, including: the ability to retain control over the capital program; the impact of consultants on program costs; the ability to obtain needed expertise (generally speaking, the newer the transit technology, the greater the need for outside consultants); the length of time for which expertise will be required and the flexibility—or lack thereof—to downsize upon project completion; and the extent of program and project risks.

#### *Option I: County as Program Manager*

Under this model, the County would perform almost all development functions using in-house staff. The County could elect to outsource major design work, or to utilize in-house engineers. In our survey, this model was found in relatively built-out jurisdictions with older transit technology and those with very strong labor unions.

##### Strengths:

- Sense of ownership, institutional memory and retention of expertise
- High degree of control

##### Challenges:

- May be difficult to hire needed expertise
- Overstaffing upon program completion
- If in-house staff is not yet in place, requires large scale hiring in compressed time frame
- Risk borne entirely by the County

#### *Option II: Private Program Manager, Design Consultant, Blend of County and Non-County Staff*

Under *Option II*, the County would hire an overall program management consultant as well as a separate design consultants. Most development functions would be performed by a mix of County and contractor personnel. As noted above, our survey identified three jurisdictions that have utilized this model. Additionally, about half of the jurisdictions surveyed use a varying mix of in-house and contractor personnel for different development functions.

**Strengths:**

- Ability to attract required expertise
- Ability to control size of in-house staff while retaining some in-house knowledge
- Checks and balances between consultants and County staff
- Risk shared with Private Program Manager and Design Consultant

**Challenges:**

- Close coordination with in-house staff required, especially near project completion and transition to revenue service
- County must ensure public interest is represented (there will be competing private interests)

*Option III: Private Program Manager*

*Option III* depicts a development program in which nearly all functions are carried out by a program management consultant. While some of the jurisdictions surveyed utilize consultants more heavily than others, none relies primarily on consultants for all functions. Most notably, almost all respondents have retained responsibility for planning in-house.

**Strengths:**

- Ability to control size of in-house staff
- High degree of continuity through all phases of project life cycle
- May be simpler to manage relationship with a single contractor
- Risks shared with Private Program Manager

**Challenges:**

- Close coordination with in-house staff required, especially near project completion and transition to revenue service
- Risk of over-reliance on consultant expertise and lack of appropriate controls
- Limited retention of in-house knowledge

*PTP Pro Forma and Service Plans*

OPI would like to have included in this report a summary of the updated *pro forma*, impacts of two service plan timelines, and cost information associated with quality enhancements to bus operations. This information was still under development at the time of this report. However, County staff did work with PFM to produce a report updating fiscal year 2002-03 and fiscal year 2003-04 budgets. The report presents various options for addressing identified shortfalls.

Business Plans

MDT, OPTM and the DPW – the three departments directly responsible for implementing portions of the PTP – have submitted business plans that are in various stages of development.

Each department was provided the following format for its business plan:

- Executive Summary
- Introduction
  - Purpose/Mission
  - Organization and Staffing Levels
  - Critical Success Factors
- The Plan
  - Strategic Plan Framework, Terms and Definitions
  - Strategic Plan Goals and Priority Outcomes pertaining to the Department
  - Department tasks/activities and objectives supporting each strategic plan Goal-Outcome-Objective
  - Additional Department goals tasks/activities and objectives

MDT's draft follows the format provided but does not yet appear to be consistent with the Manager's fiscal year 2003-04 proposed budget as the operating miles and the total expenses differ from the budget book (pages 19 and 22). Consistent with the Manager's budget message, MDT has stated that they are still working on budget numbers, however, until the Manager releases changes, it is recommended that they continue to use the official Manager's proposed budget. Additionally, more explanation is required regarding organizational changes and position increases between fiscal years 2002-03 and 2003-04, particularly in the administrative area. Most significantly, further explanation should be provided for the requested 739 additional positions and more information given concerning the \$44 million shortfall needed beyond the proposed budget (page 15).

OPTM's latest draft does not follow the format provided nor does it tie to the Manager's proposed budget. In particular, a discussion of positions needed versus budgeted, as well as of critical success factors, needs to be added. Comments were provided to OPTM last week, including: use the strategic plan definitions for terms; make the tasks/activities and performance objectives-measures specific to fiscal year 2003-04 and specific to OPTM only; and expand the section on staffing and budget plan. These comments still remain to be addressed.

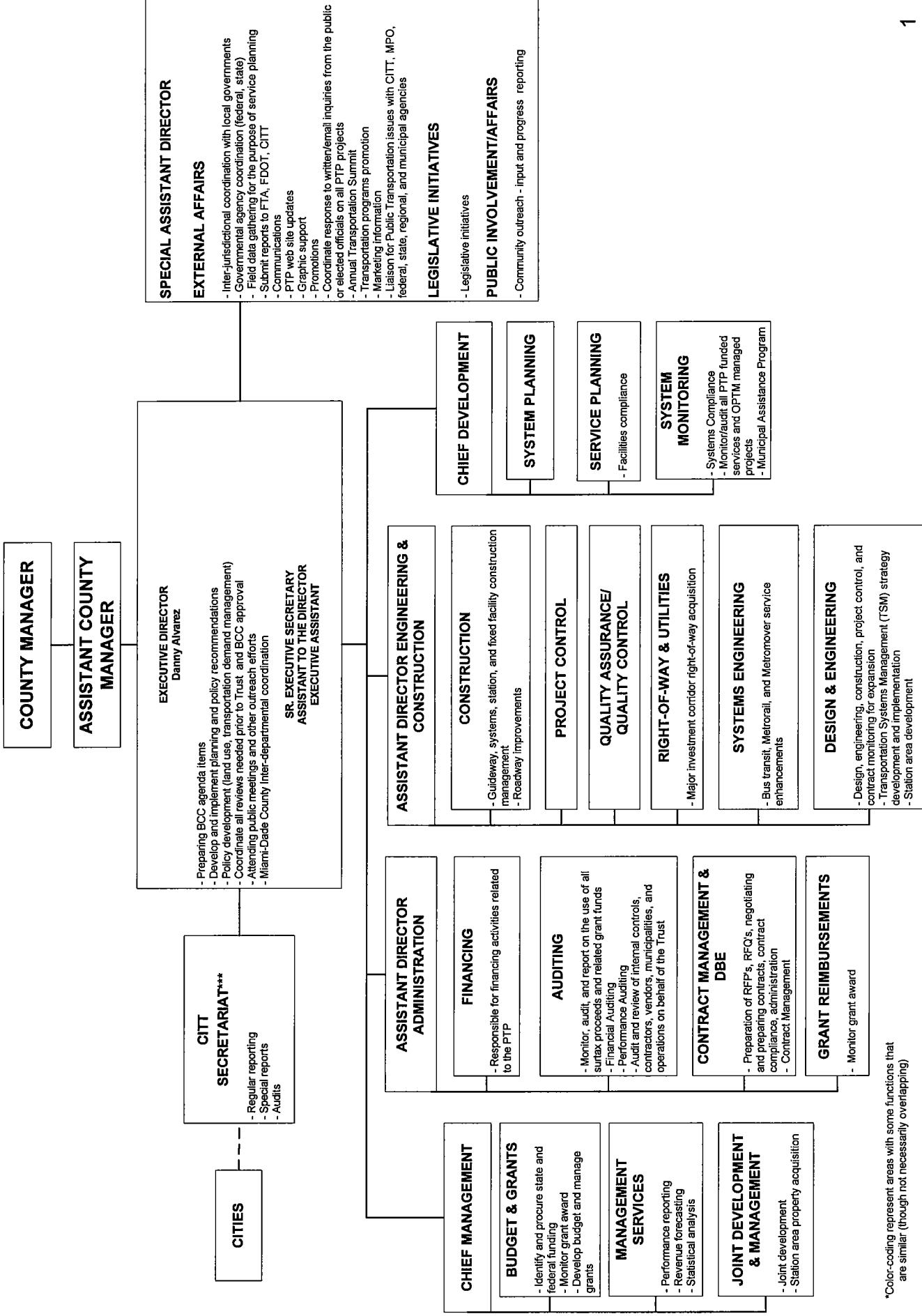
DPW's draft plan follows the format provided and is close to final form. However, the weakest area of the plan is in relation to the PTP. DPW plans to address and resubmit a revised draft by Thursday 8/14/03.

OPI continues to work with the departments to refine the business plans. Once the Manager has made a decision on the business planning models, OPI will assist departments to restructure their business plans.

# Business Model Options

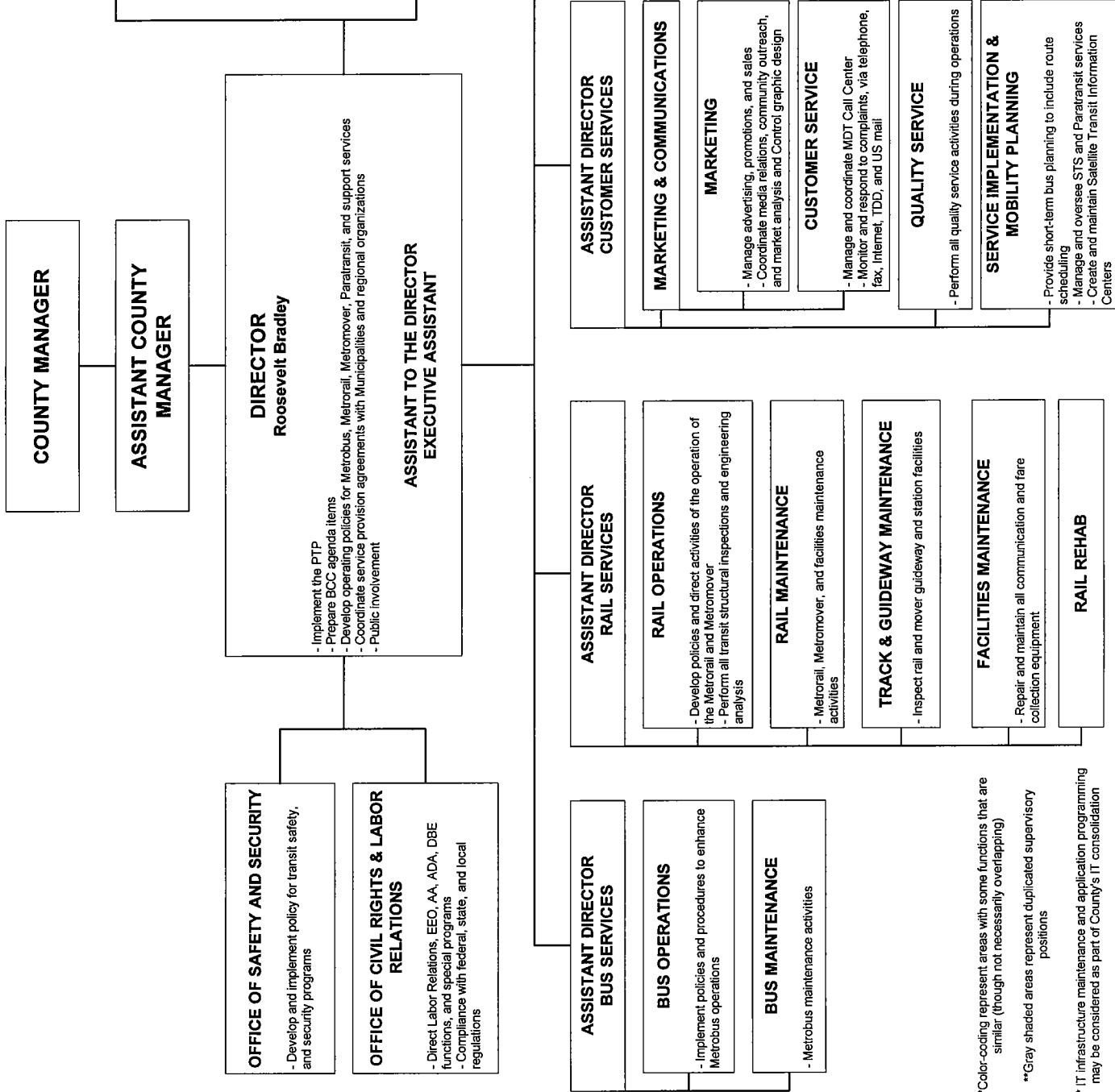
## OPTION I: Single Departments

## MIAMI-DADE COUNTY OFFICE OF PUBLIC TRANSPORTATION MANAGEMENT (OPTM)



## OPTION I: Single Departments

## MIAMI-DADE TRANSIT DEPARTMENT



\*Color-coding represent areas with some functions that are similar (though not necessarily overlapping)

\*\*Gray shaded areas represent duplicated supervisory positions

\*\*\* IT infrastructure maintenance and application programming may be considered as part of County's IT consolidation

- Provide short-term bus planning to include route scheduling

- Manage and oversee STS and Paratransit services

- Create and maintain Satellite Transit Information Centers

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## **Strengths/Challenges of Separate Department Business Model**

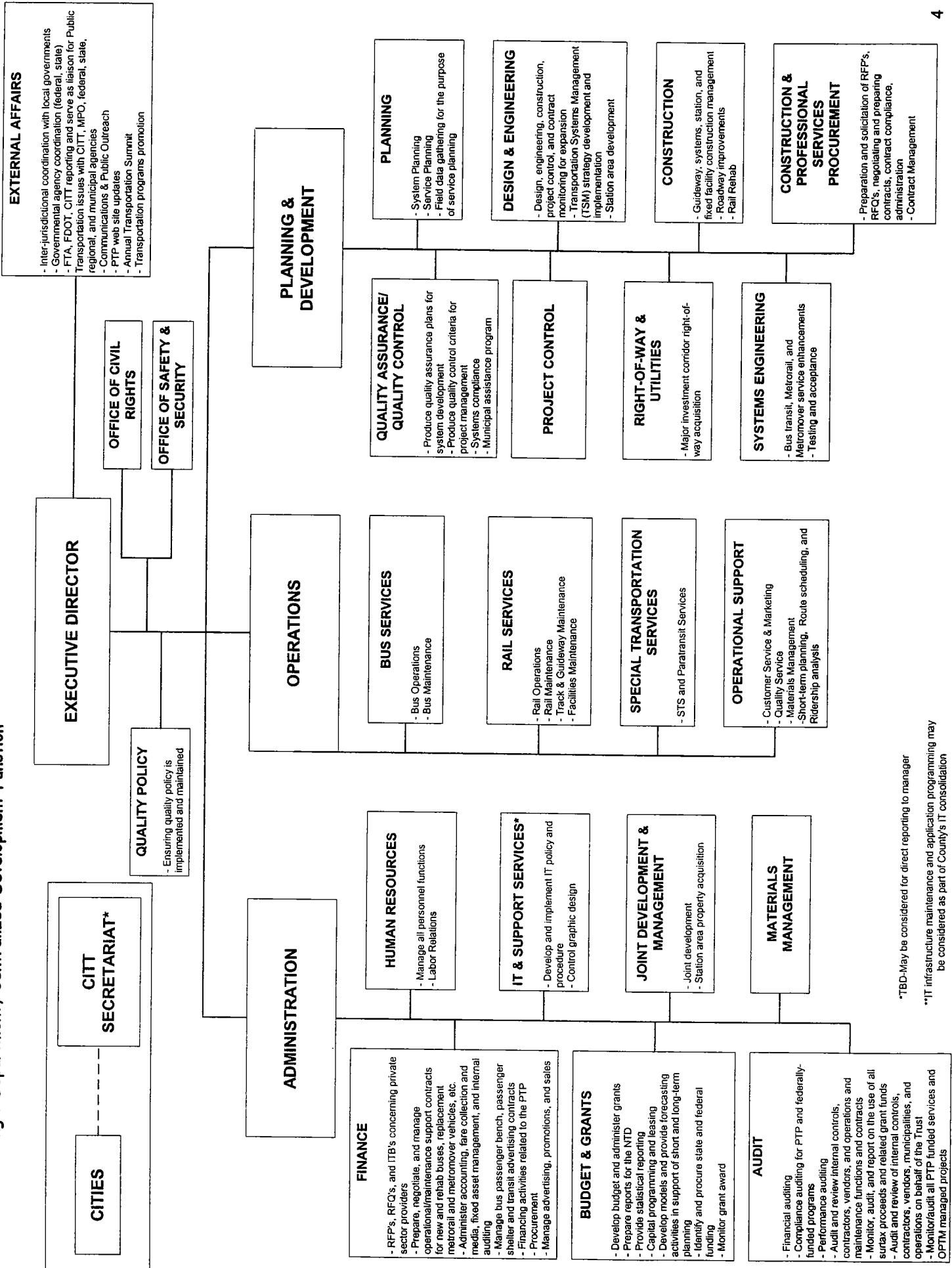
### **STRENGTHS**

- High degree of accountability to the Citizens' Independent Transportation Trust and Federal Transit Administration
- Coherent expansion planning and program management function
- Ability to customize staff to particular needs within each Department

### **CHALLENGES**

- Inadequate line of authority / lack of executive authority
- Complications in communication/coordination among functions between Departments
- Duplication of staff among similar functions between Departments
- Likelihood of 'empire building' increases when Departments do not depend on one another
- Difficulty in maintaining discipline of *pro forma*

## OPTION II: Single Department, Centralized Development Function



## **Strengths/Challenges of Single Department, Centralized Development Function Business Model**

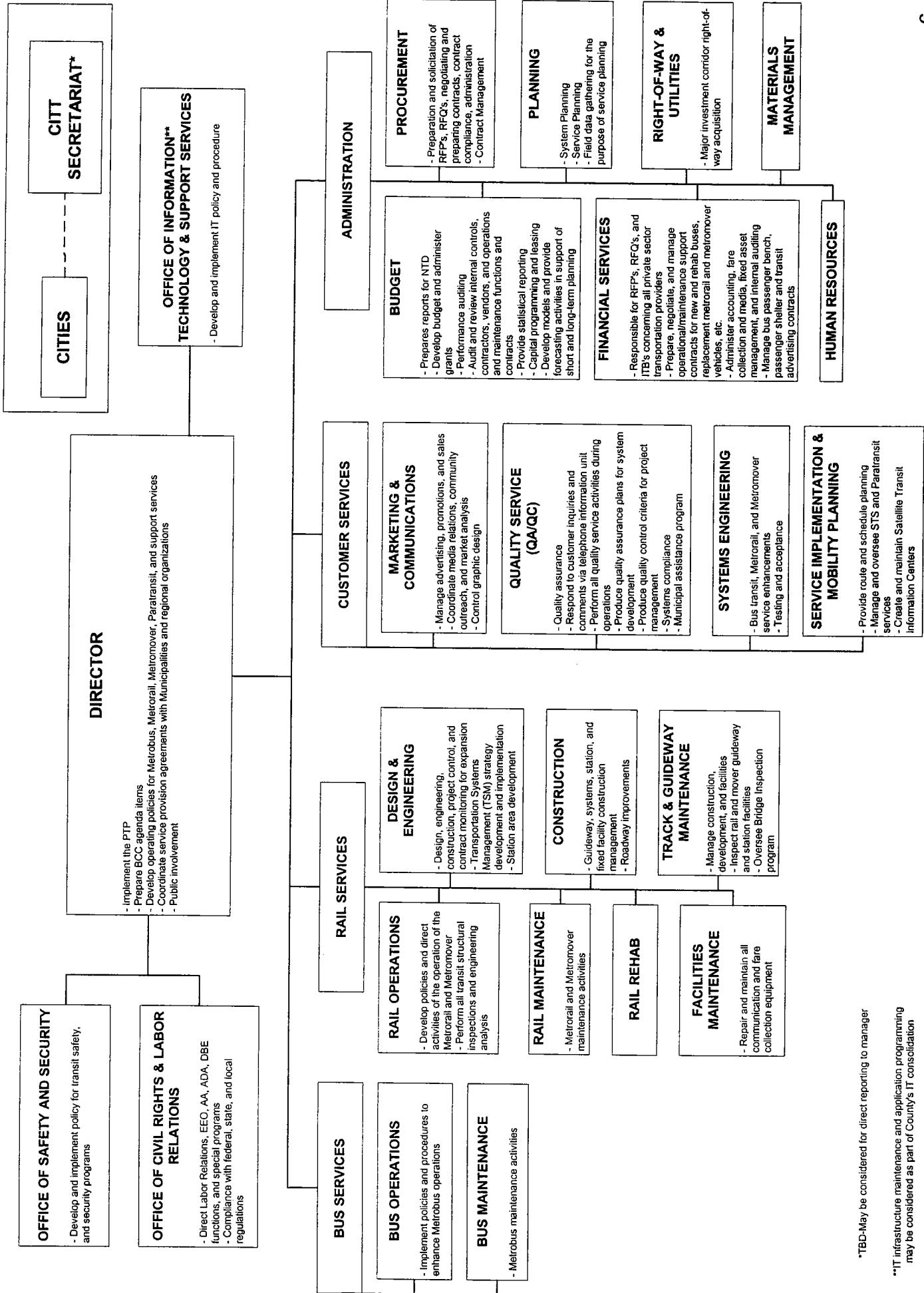
### **STRENGTHS**

- Appropriate executive authority and reporting structure
- Minimize duplication of staff over entire organization
- Minimize 'empire building' within any function by enforcing interdependence among functions
- Strong accountability for success of overall transit program

### **CHALLENGES**

- Planning staff may give inadequate attention to operational needs
- Added difficulty in isolating expansion expenditures

### OPTION III. Single Department, Decentralized Development Function



\*TBD-May be considered for direct reporting to manager

\*\*IT infrastructure maintenance and application programming may be considered as part of County's IT consolidation

## **Strengths/Challenges of Single Department, Decentralized Development Function Business Model**

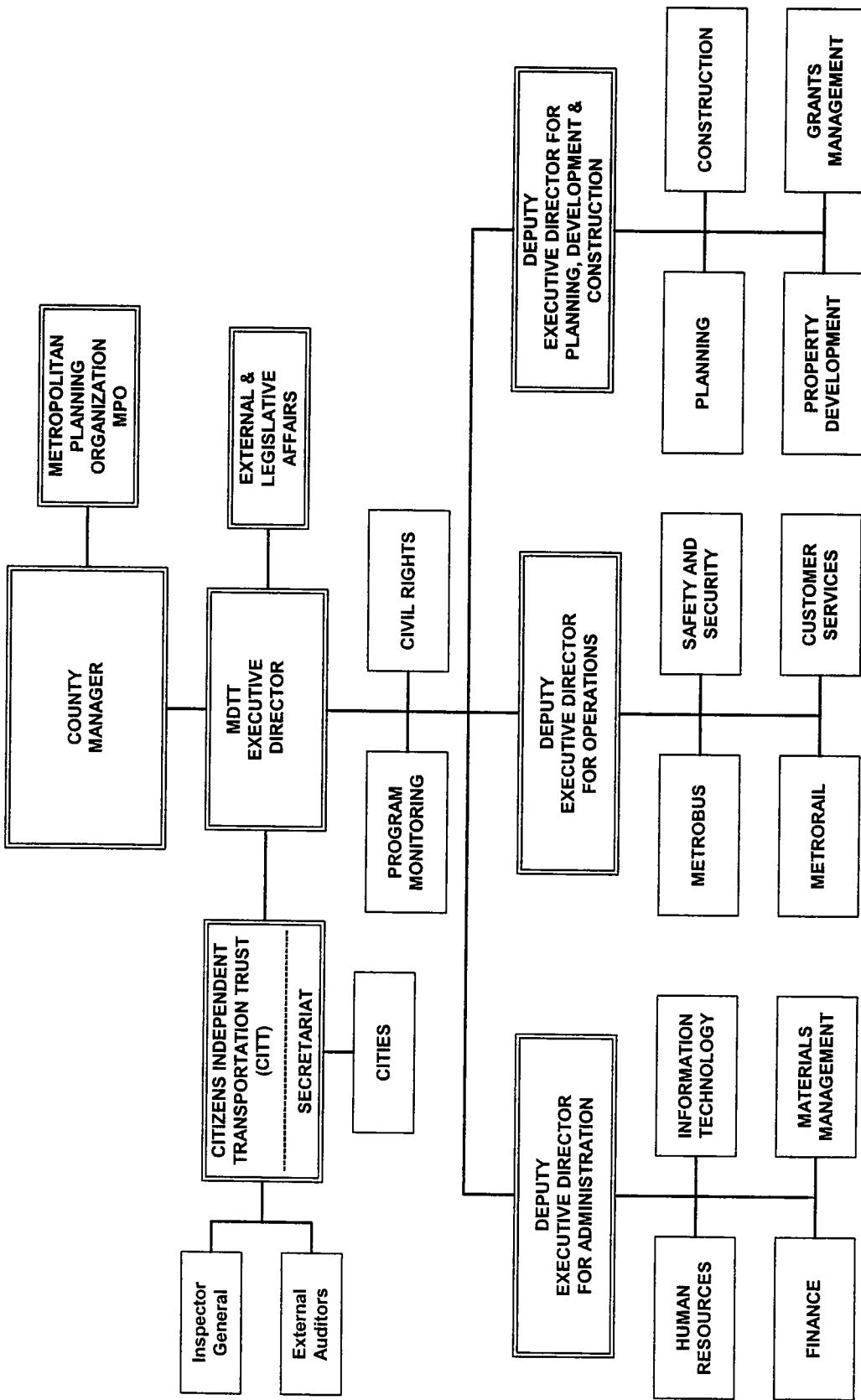
### **STRENGTHS**

- Appropriate executive authority
- Depending on specific organizational structure, may be closer coordination between certain capital and operational functions
- Maximum flexibility to pull in staff from other divisions as needed for projects
- Customize staff to particular needs within each function

### **CHALLENGES**

- Decreased ability to plan and control coherent expansion program
- Duplication of staff for similar positions among different functions
- Likelihood of 'empire building' increases when functions do not depend on one another
- Added difficulty in isolating expansion expenditures

# MIAMI-DADE TRANSPORTATION TRUST



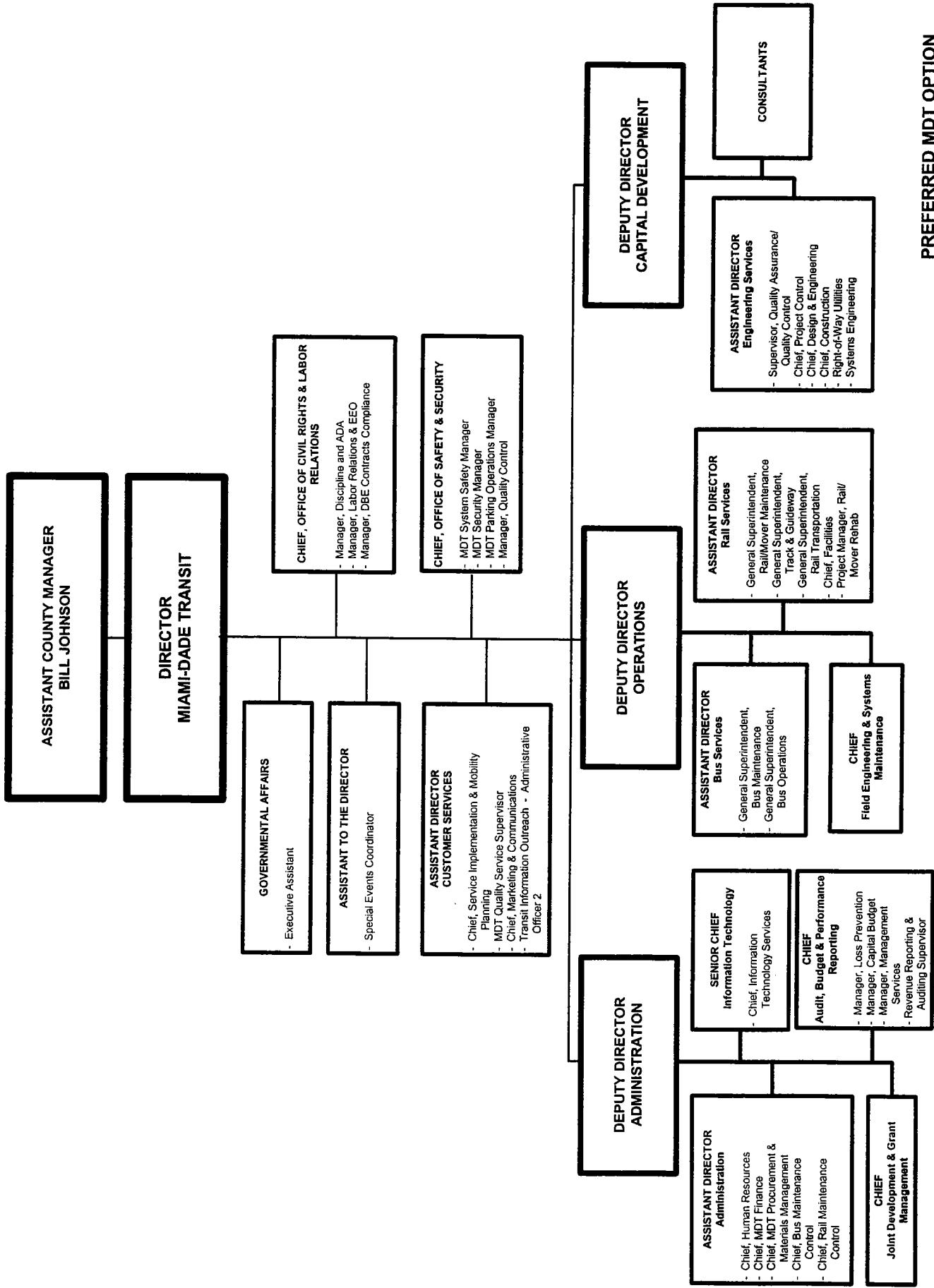
## COMMENTS ON RECOMMENDED BUSINESS MODELS

- I. GENERAL COMMENTS
  - A. The organization should have a name.  
Recommendation: Miami-Dade Transportation Trust.
  - B. The title of the head of the organization should reflect more than transit and/or be distinct.  
Recommendation: Executive Director.
  - C. The titles of subordinates should be alike.  
Recommendation: Director of "X" or Deputy Executive Director for "X".
  - D. One of the existing issues is the lack of focus or proliferation of agencies acting independently of one another and yet with similar functions.  
As such the CITT and the MPO should be part of this organization.  
Recommendation: Assign the staffing of the MPO and the CITT to this organization.
  - E. As of this date it is unclear what organization is responsible for the management of the PTP, including the funds.  
Recommendation: Clearly charge this organization with this responsibility.
- II. SPECIFIC COMMENTS (As to the differences between this model and OPI's Option 2 model)
  - A. External and Legislative Affairs. Same as OPI's model
  - B. Program Monitoring. Expands on OPI's "Quality Policy" by adding Budget, Performance, and Monitoring of all PTP funded services and projects.
  - C. Civil Rights. It is a federal requirement that some of these functions report directly to the head of the agency receiving federal funds. By housing in one unit Affirmative Action, Equal Employment Opportunity, ADA and Disadvantage Business Enterprise compliance we also mirror the FTA's Office of Civil Rights and improve communications.
  - D. Deputy Executive Director for Administration
    1. Human Resources - Same as OPI's model except for Civil Rights.
    2. Finance - Combines "Finance" and "Audit" functions of OPI's model.
    3. Information Technology - Same as OPI's model.
    4. Materials Management - Separates function as a distinct unit.

- E. Deputy Executive Director for Operations.
  - 1. Bus Service - Same as OPI's model.
  - 2. Rail Service - Adds Electronic Equipment Maintenance to OPI's model and transfers Rail Re-habilitation to (F) below.
  - 3. Customer Services - Combines STS and Customer Service functions of OPI's model and clearly defines Marketing/Communications functions to be transferred to External and Legislative Affairs ([A] above).
  - 4. Safety and Security - This needs to be a separate unit. It also houses Operations (Field) Engineering, Bridge Inspection, and Maintenance Control functions.
- F. Deputy Executive Director for Planning, Development and Construction.
  - 5. Same as OPI's model. Adds: Property/Joint Development for better coordination of new stations development; Grants for on-going relationship with FTA; and, Rail Re-habilitation.

**CONSOLIDATED DEPARTMENT**

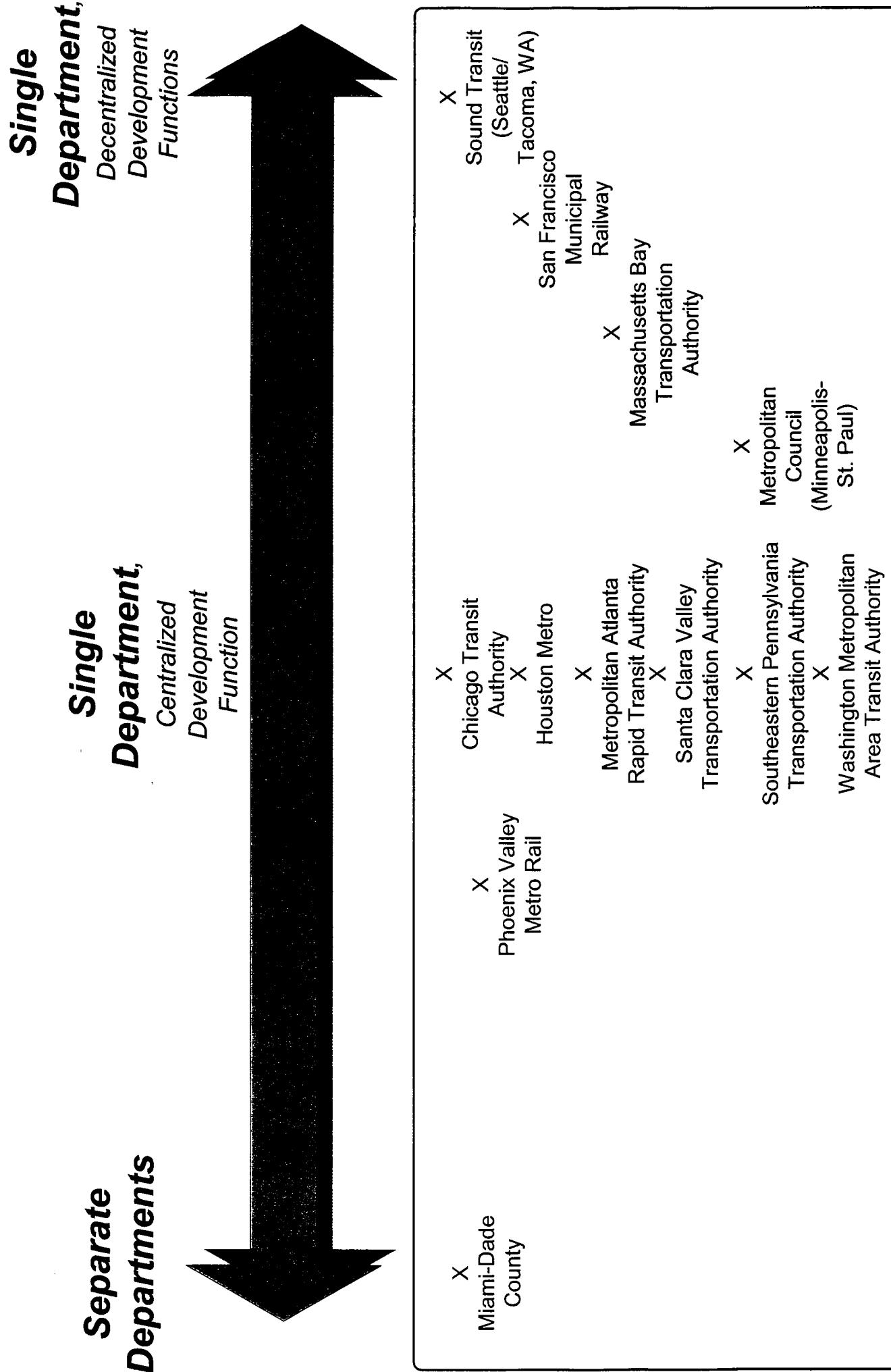
**MIAMI-DADE TRANSIT  
TABLE OF ORGANIZATION**



## Survey Highlights: Business Models

- ❖ Overview of Survey Findings
- ❖ Placement of Functions Within Model II Organizational Structure
- ❖ Respondent Organizational Charts

# Overview of Survey Findings: Business Models

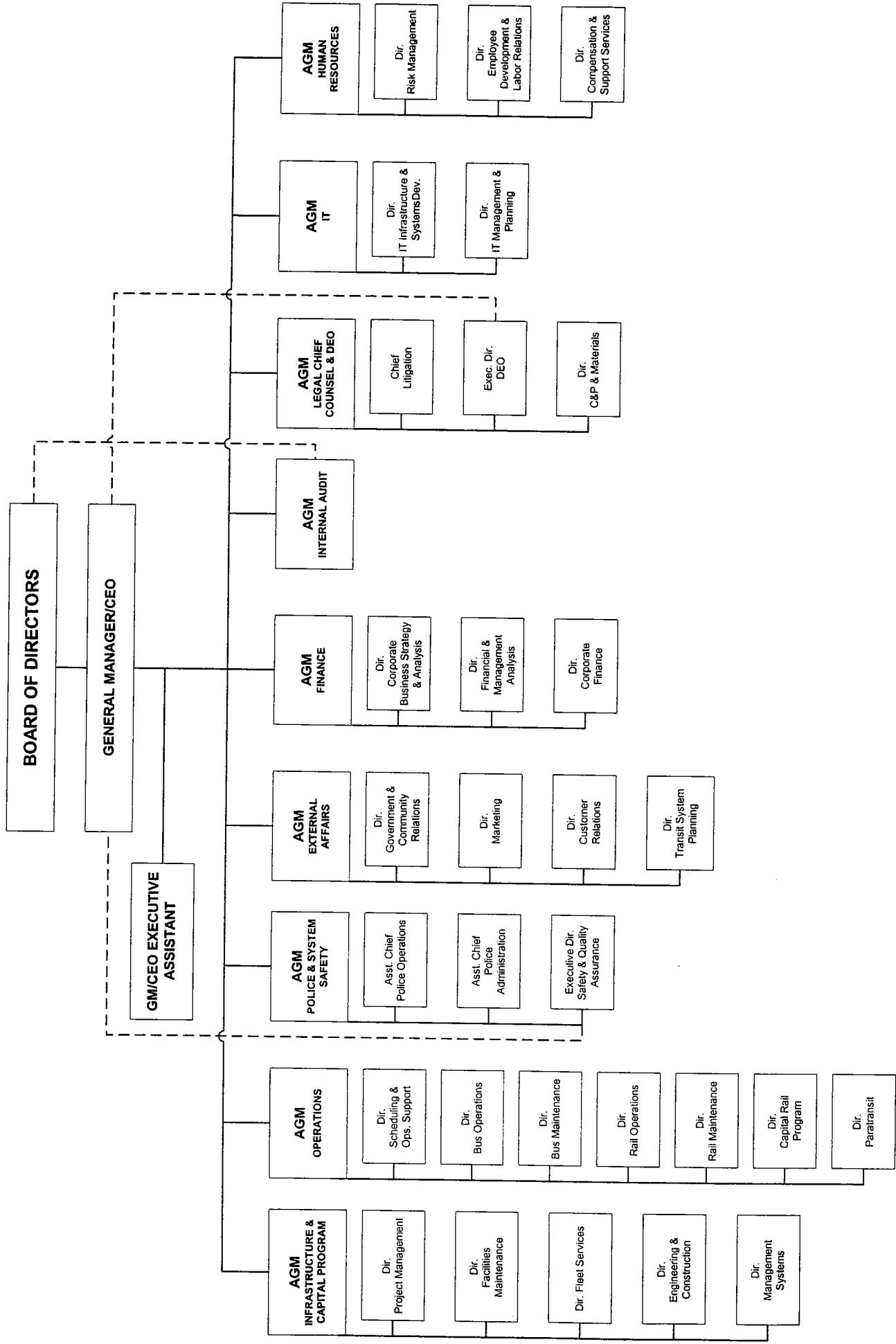


**Placement of Functions Within Model II Organizational Structure\***  
**By Jurisdiction**

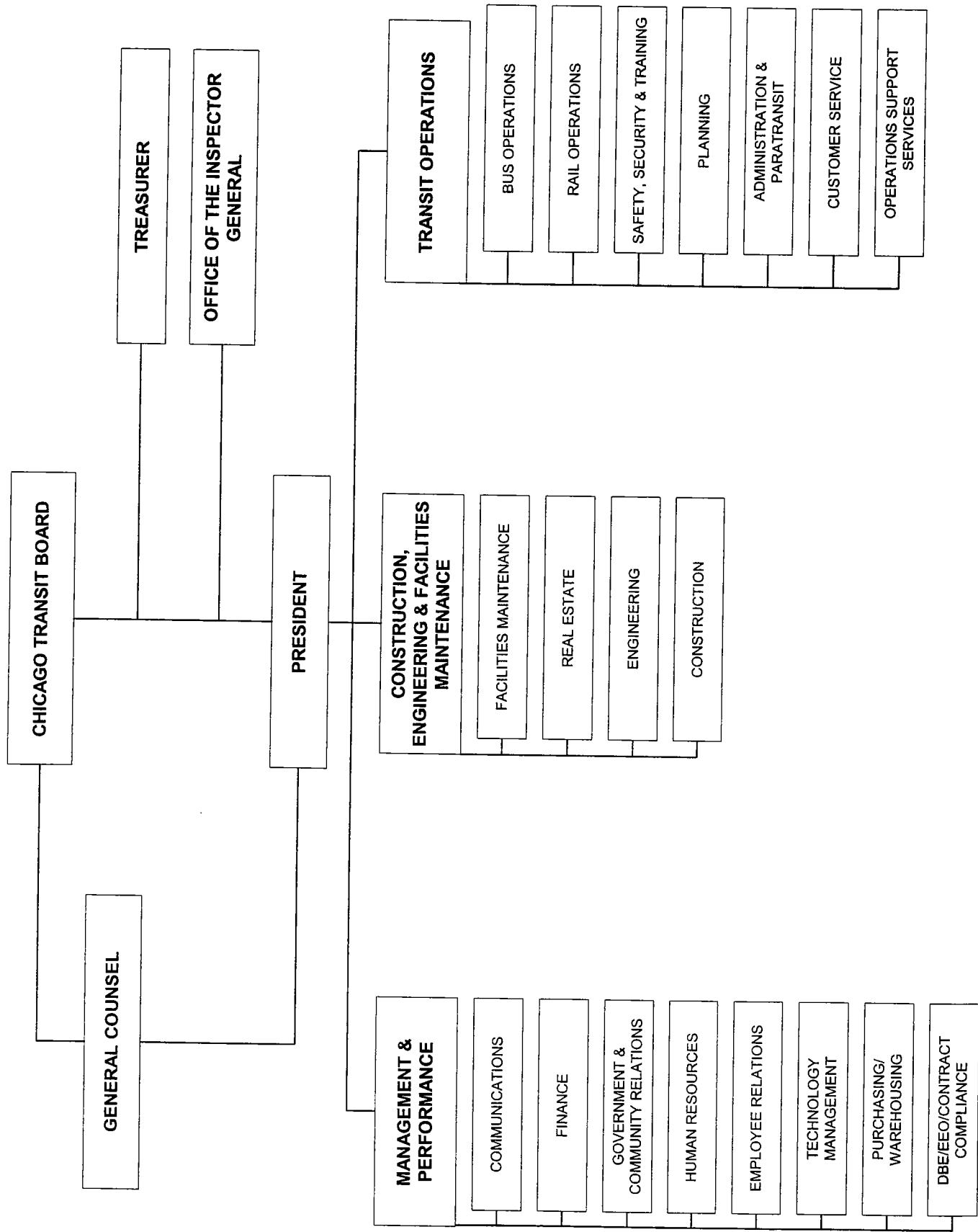
	Administration / External Affairs	Operations	Development
Program Planning	Boston, MA S.E. Pennsylvania	Minneapolis-St. Paul, MN Seattle, WA	Atlanta, GA Boston, MA Houston, TX Minneapolis-St. Paul, MN San Francisco, CA
Program Management	Boston, MA	Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Financial Planning	Atlanta, GA Boston, MA Chicago, IL Houston, TX Santa Clara, CA	Seattle, WA Washington, D.C.	San Francisco, CA Washington, D.C.
Capital Planning	Atlanta, GA Boston, MA S.E. Pennsylvania	Atlanta, GA Seattle, WA Washington, D.C.	Chicago, IL San Francisco, CA Santa Clara, CA S.E. Pennsylvania Washington, D.C.
Service Planning	S.E. Pennsylvania	Atlanta, GA Boston, MA Chicago, IL Houston, TX Phoenix, AZ	San Francisco, CA Santa Clara, CA Washington, D.C.
Citizen Participation	Atlanta, GA Boston, MA Chicago, IL Houston, TX Seattle, WA	Boston, MA San Francisco, CA	Boston, MA San Francisco, CA Santa Clara, CA Washington, D.C.
Right-of-way Acquisition	Seattle, WA		Boston, MA Chicago, IL Houston, TX San Francisco, CA Santa Clara, CA
Environmental Impact Statements	S.E. Pennsylvania	Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Design/Engineering of Capital Projects		Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Construction Management		Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Construction Inspections		Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Service Monitoring/Auditing	Atlanta, GA Santa Clara, CA	Boston, MA Chicago, IL Phoenix, AZ San Francisco, CA Seattle, WA	Washington, D.C.
Service Delivery	Houston, TX	Atlanta, GA Boston, MA Chicago, IL Houston, TX Phoenix, AZ San Francisco, CA	Santa Clara, CA Seattle, WA S.E. Pennsylvania Washington, D.C.
Marketing/Media Relations	Atlanta, GA Boston, MA Chicago, IL San Francisco, CA Santa Clara, CA	Seattle, WA S.E. Pennsylvania Washington, D.C.	Houston, TX Phoenix, AZ

\* Jurisdictions are classified according to the chain that each function would have corresponded to if the jurisdiction were organized into three separate chains of administration, operations and development. For example, if a certain function were handled by a jurisdiction's construction division, it would be shown as belonging to the "development" chain.

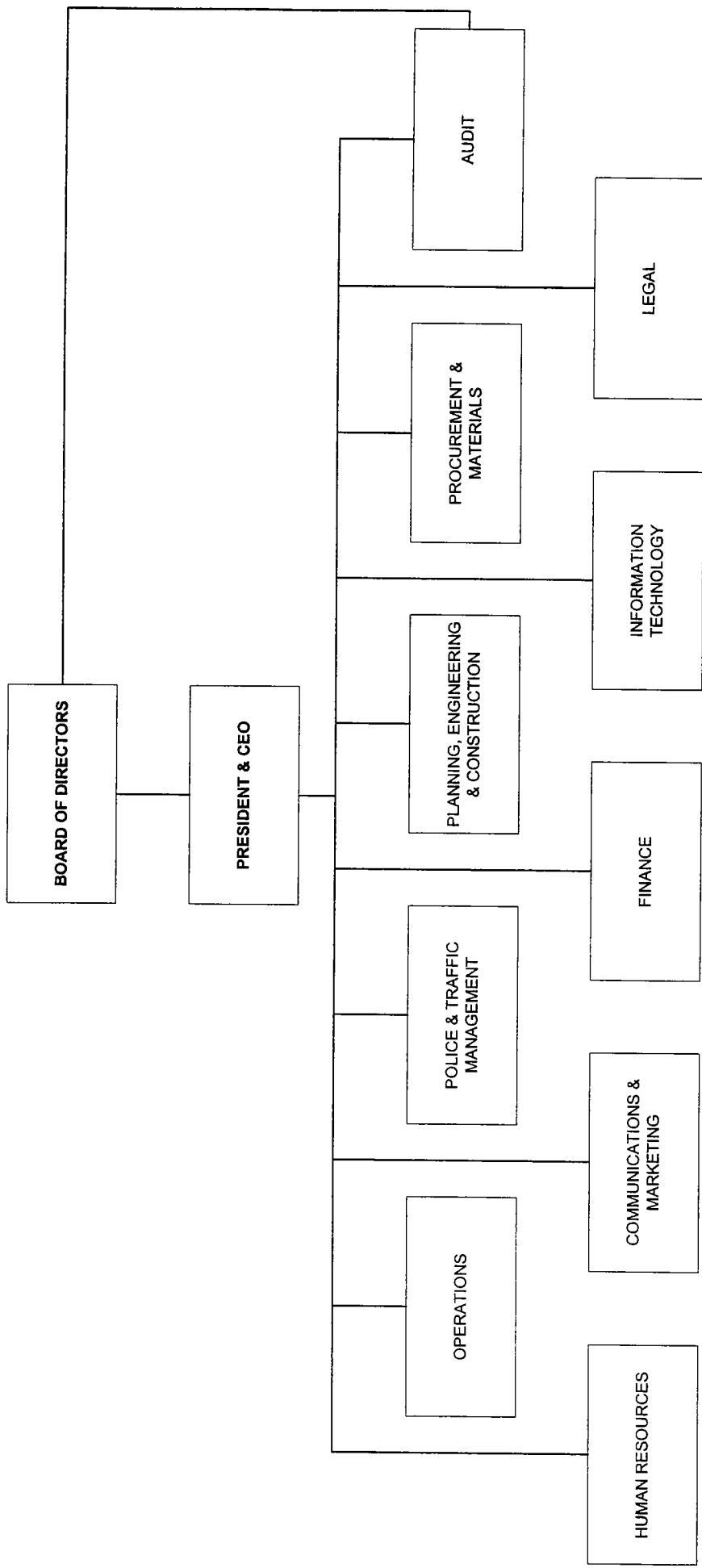
**METROPOLITAN ATLANTA '11D TRANSIT AUTHORITY  
(MARTA)**



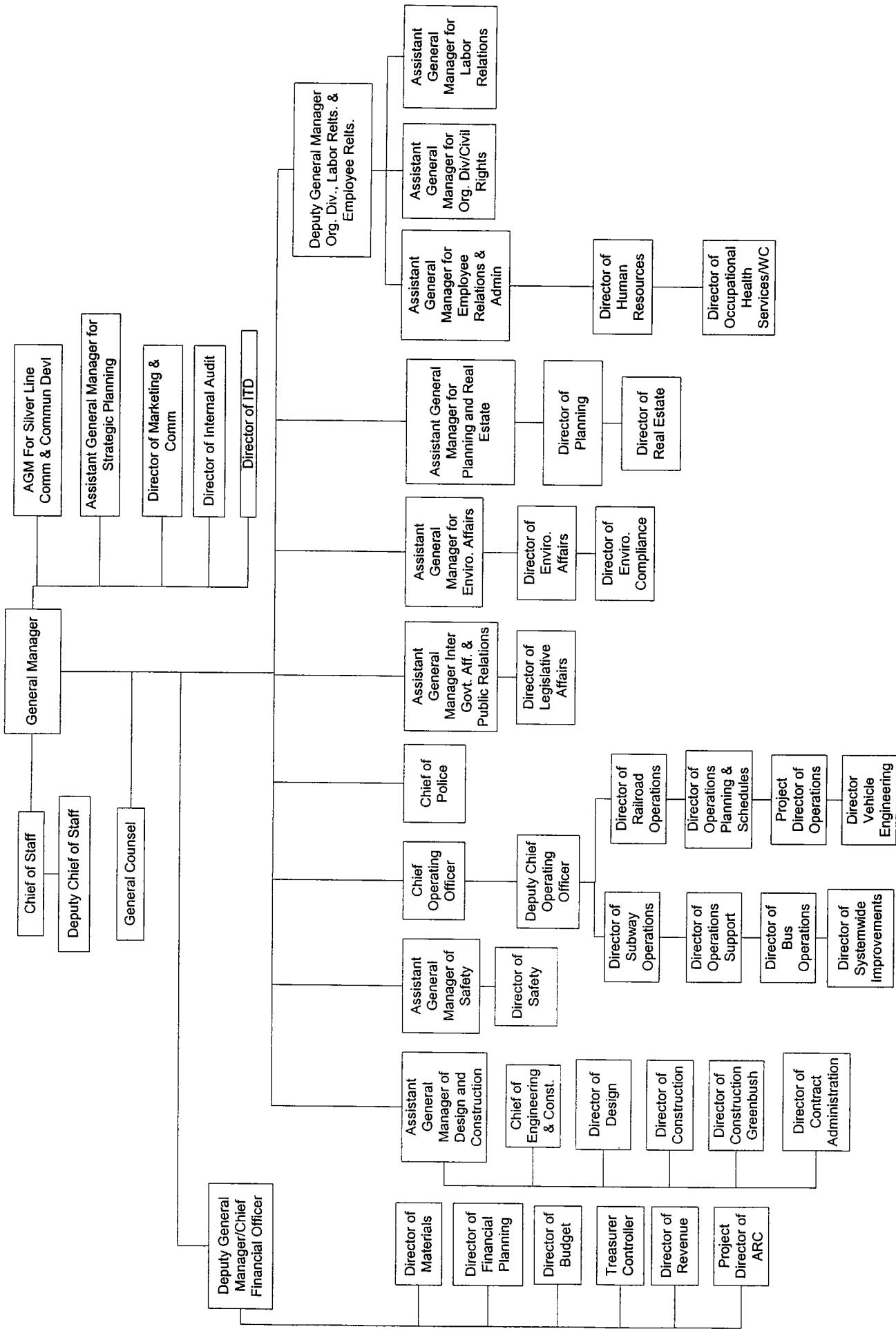
# CHICAGO TRANSIT AUTHORITY



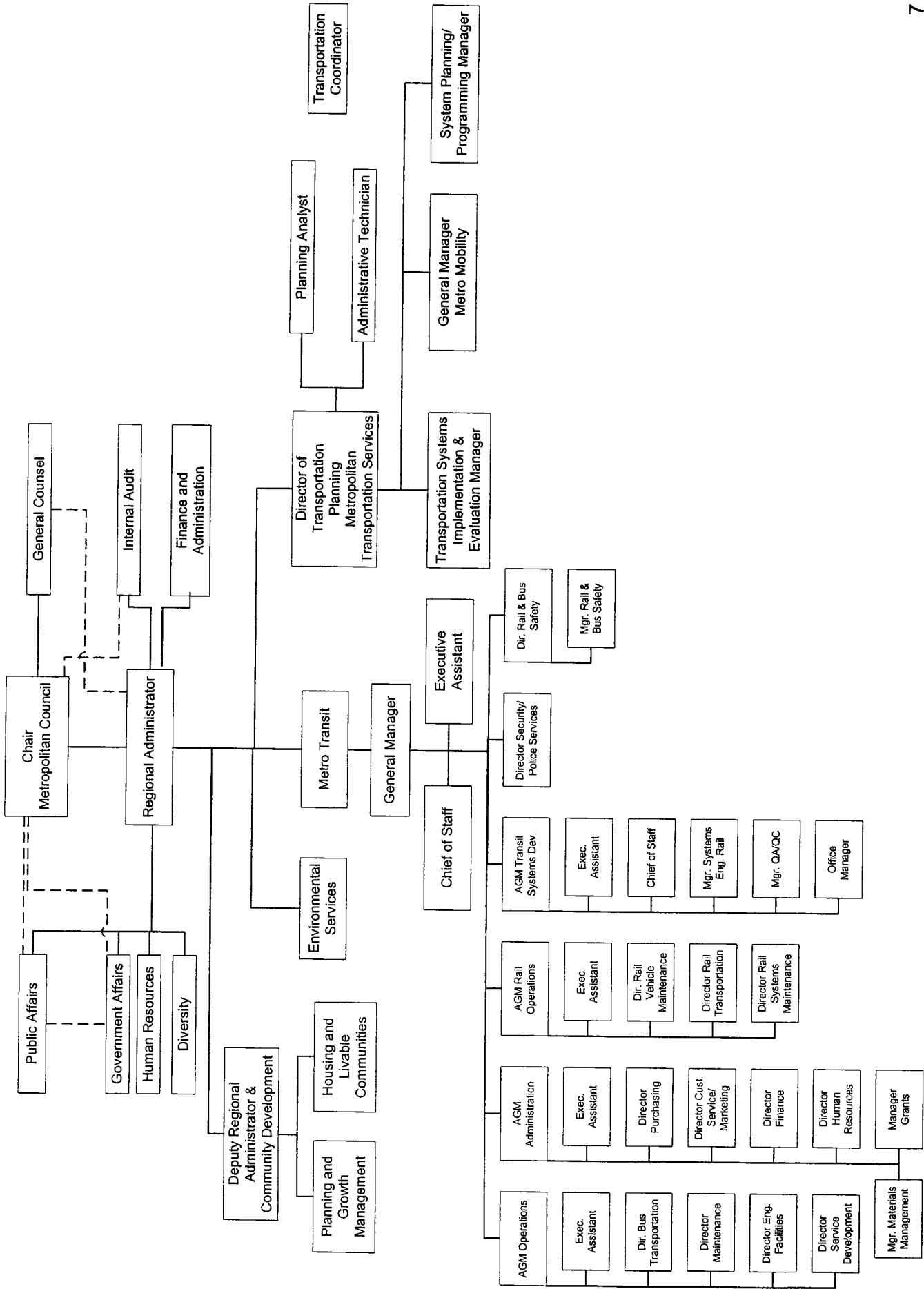
METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TX



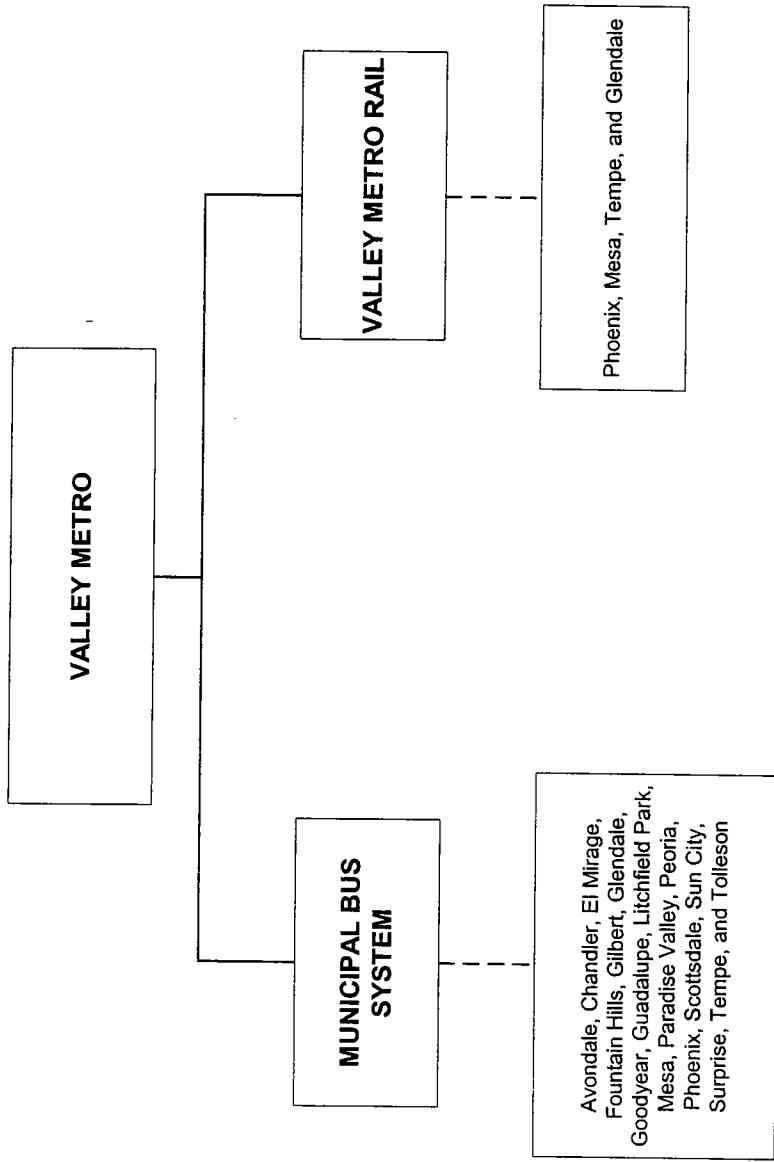
# Massachusetts Bay Transportation Authority



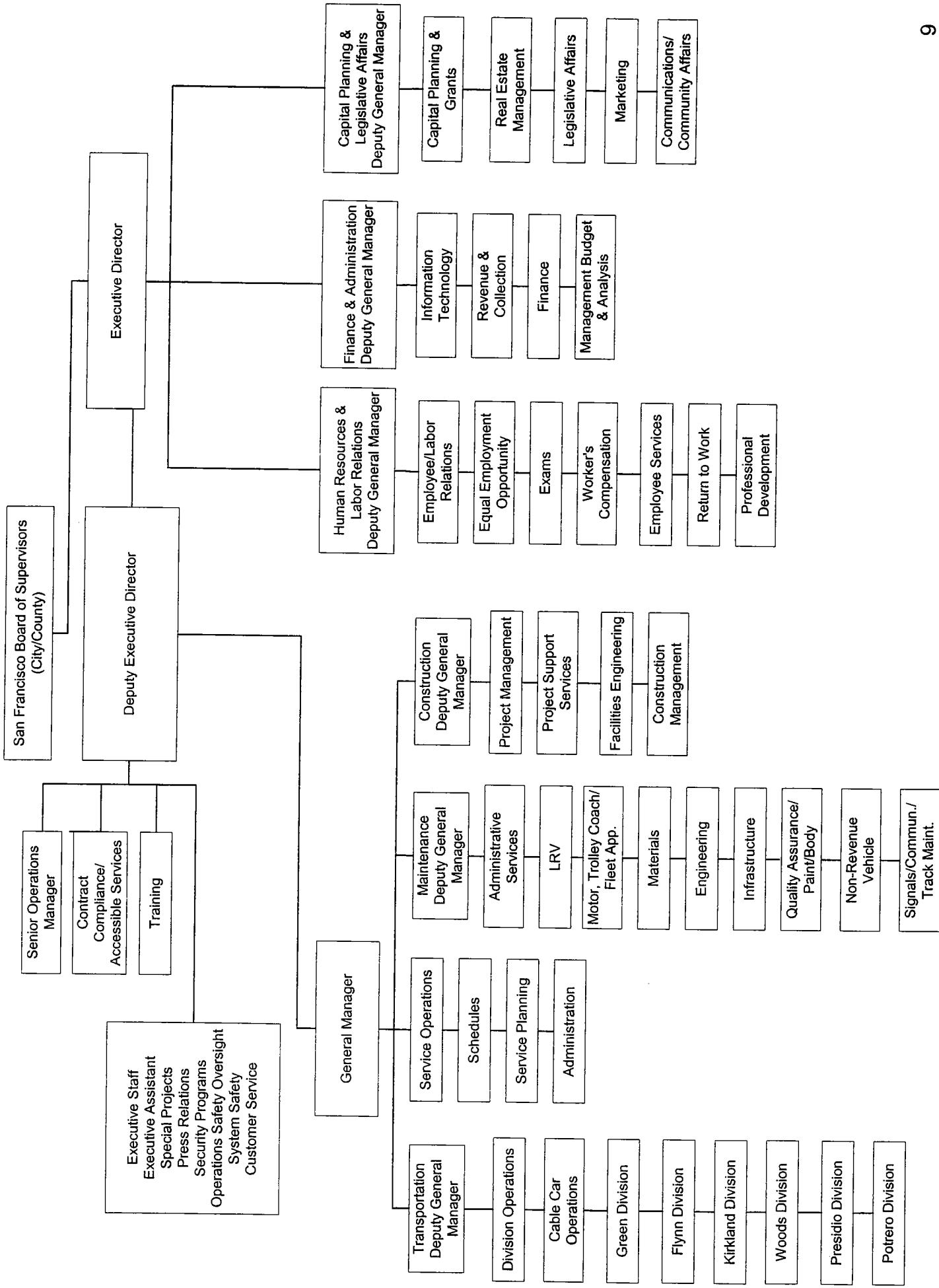
# METROPOLITAN COUNCIL - MINNEAPOLIS/ST. PAUL



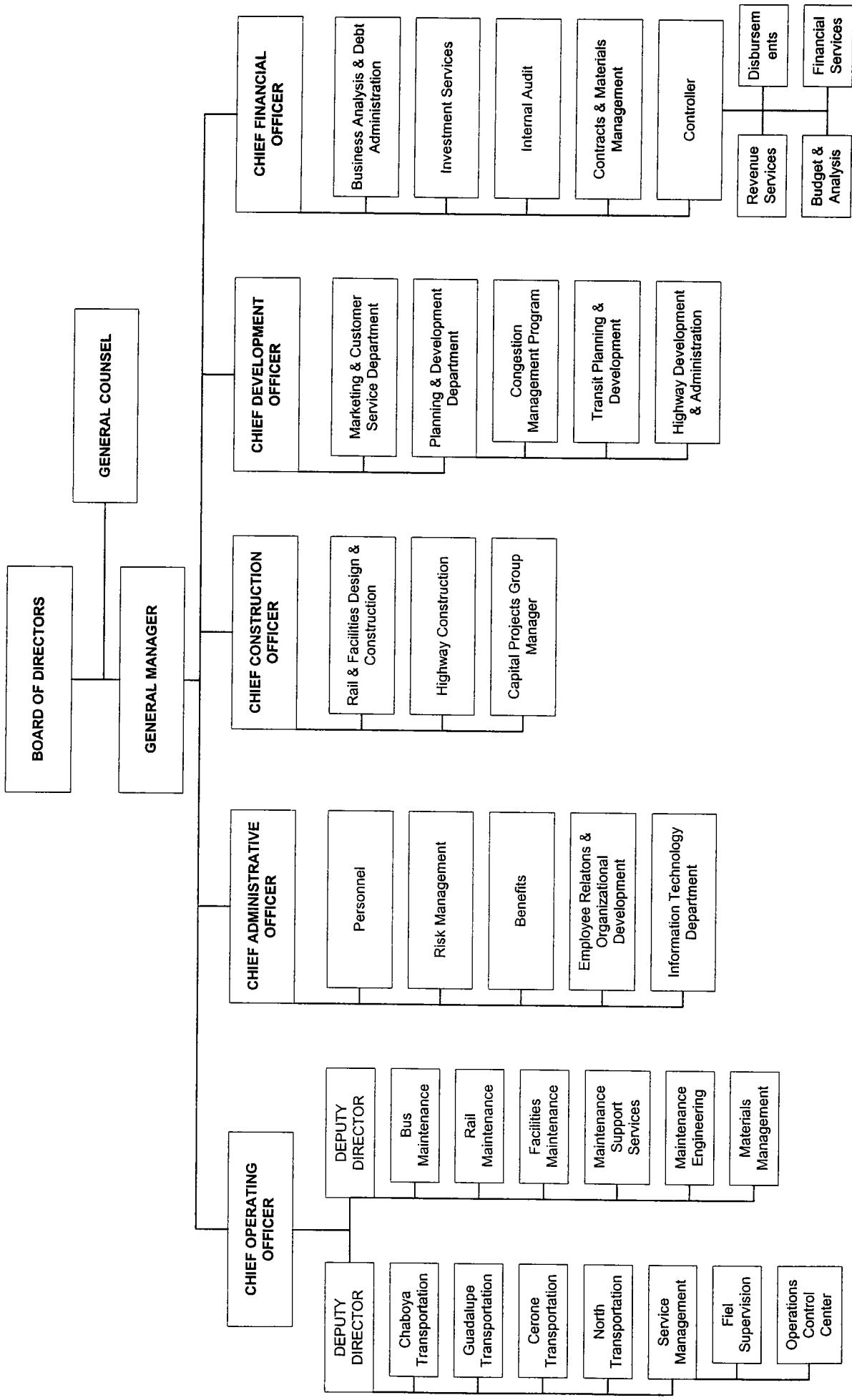
## **VALLEY METRO (MARICOPA COUNTY, AZ)**



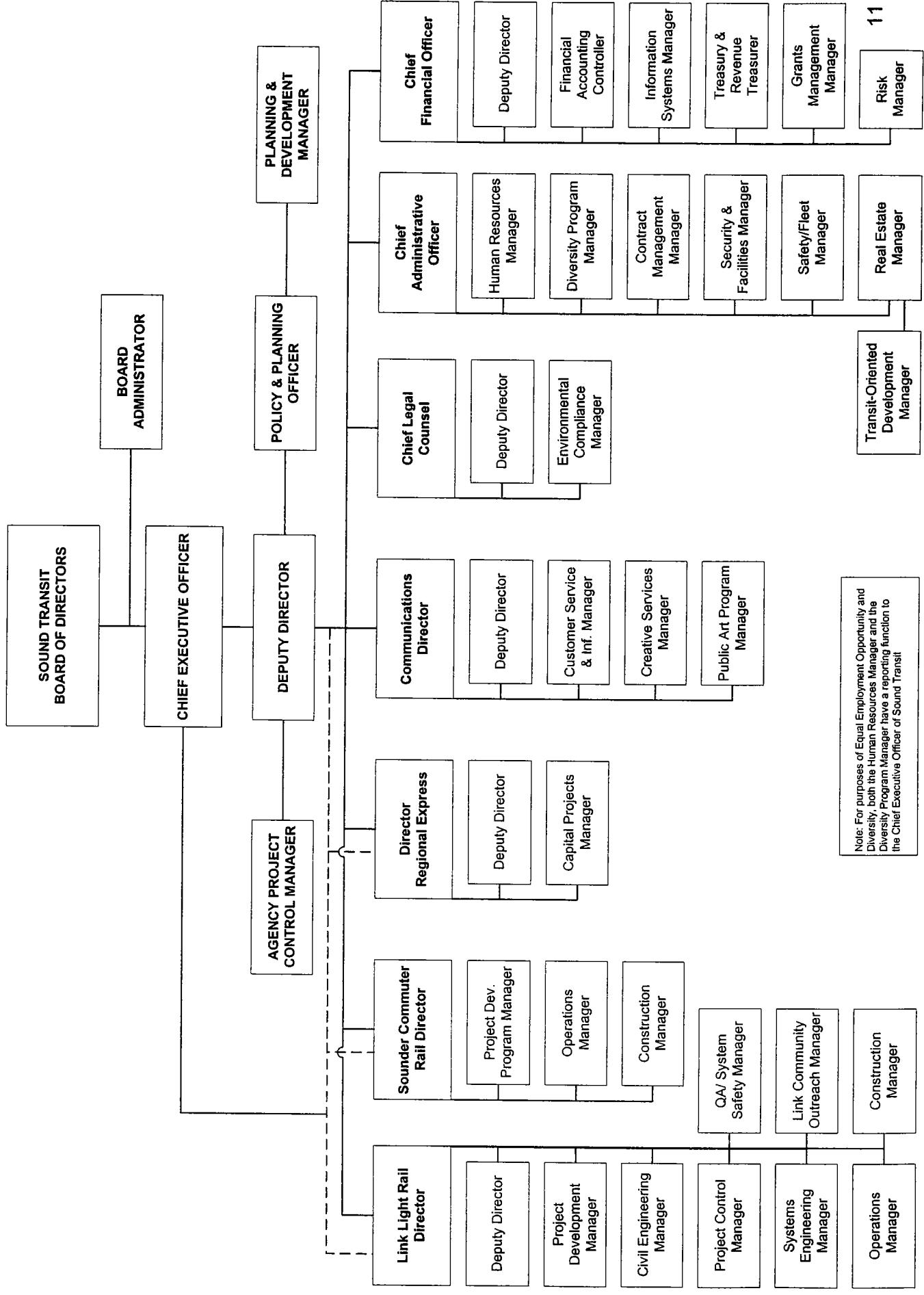
# Municipal Transportation Agency / San Francisco Municipal Railway



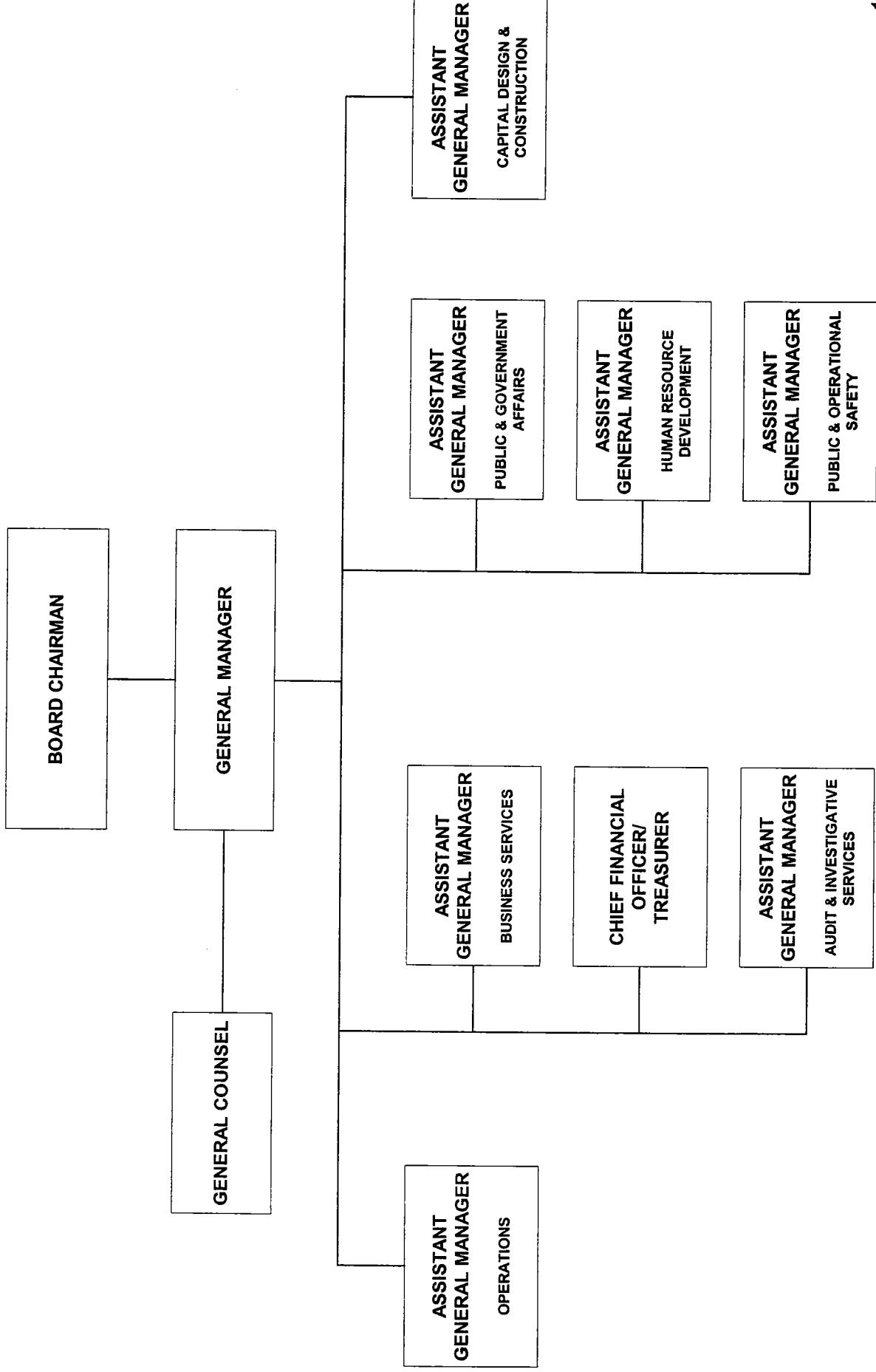
SANTA CLARA VALLEY TRANSIT PORTATION AUTHORITY



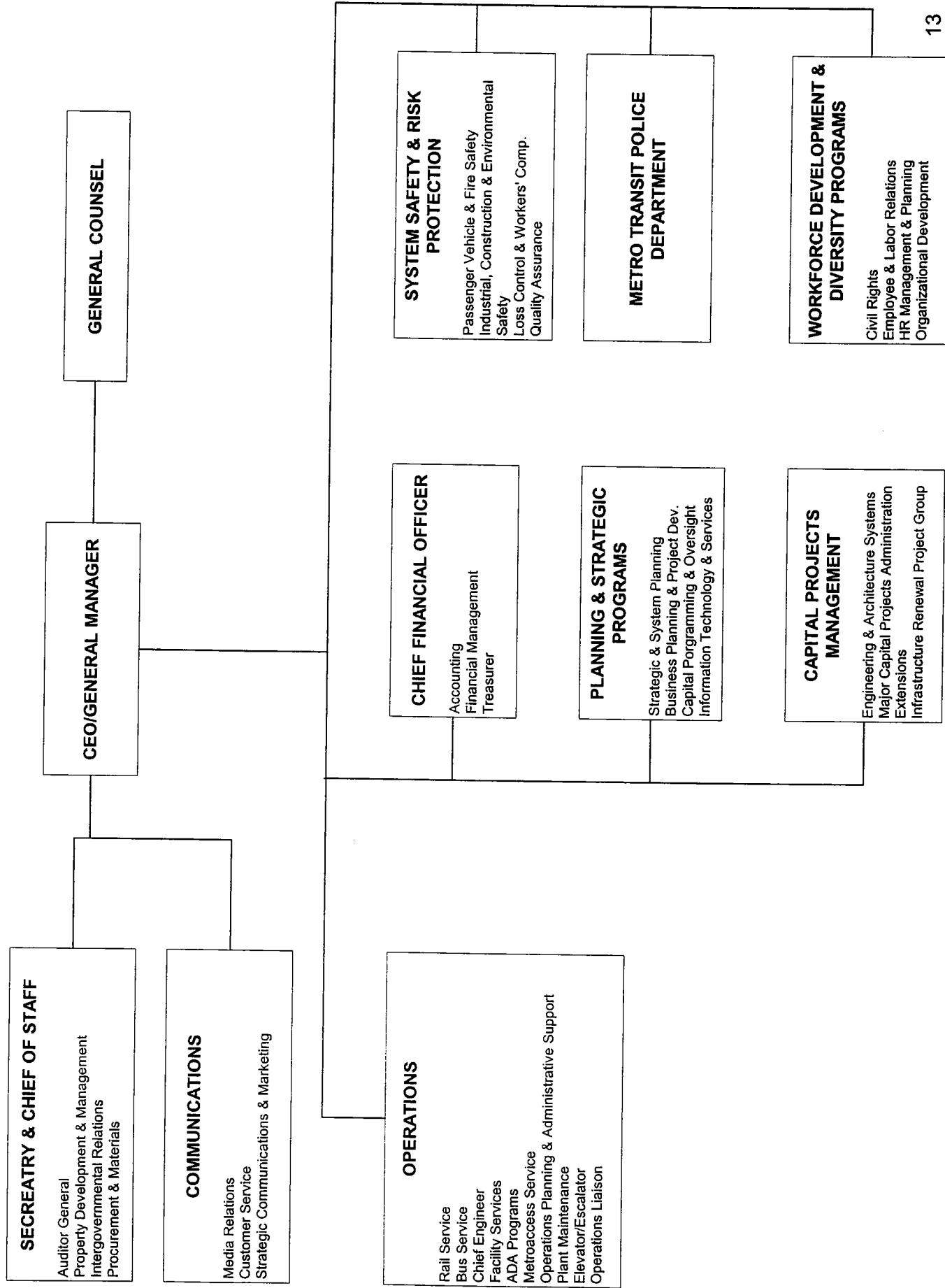
## SEATTLE - SOUND TRANSIT



**SOUTHEASTERN PENNSYLVANIA  
TRANSPORTATION AUTHORITY**

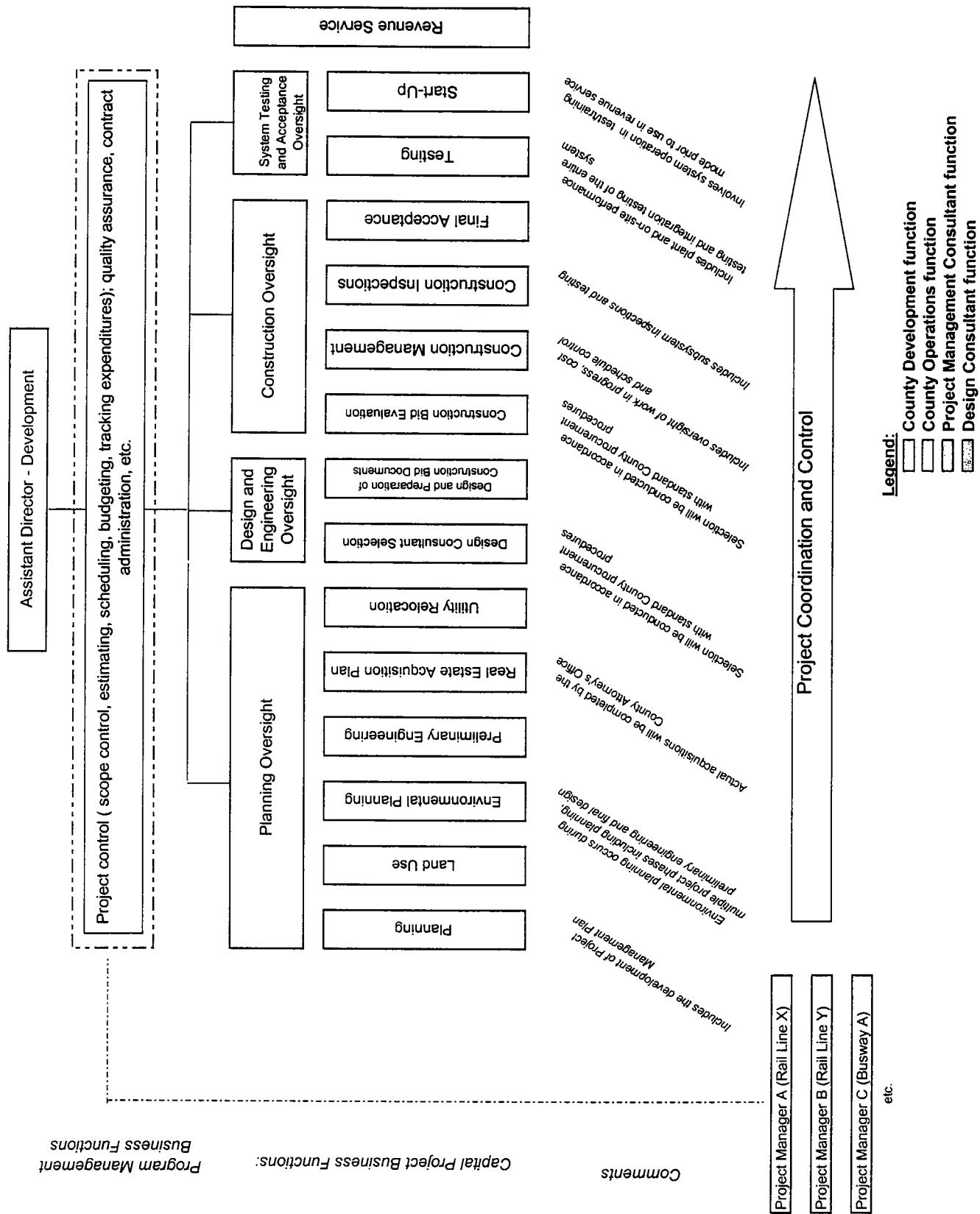


## WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY



# Program Management Options

Program Manager Model  
Option I: County as Program Manager



## Strengths and Challenges of Program Management

### Option I: County as Program Manager

#### Strengths:

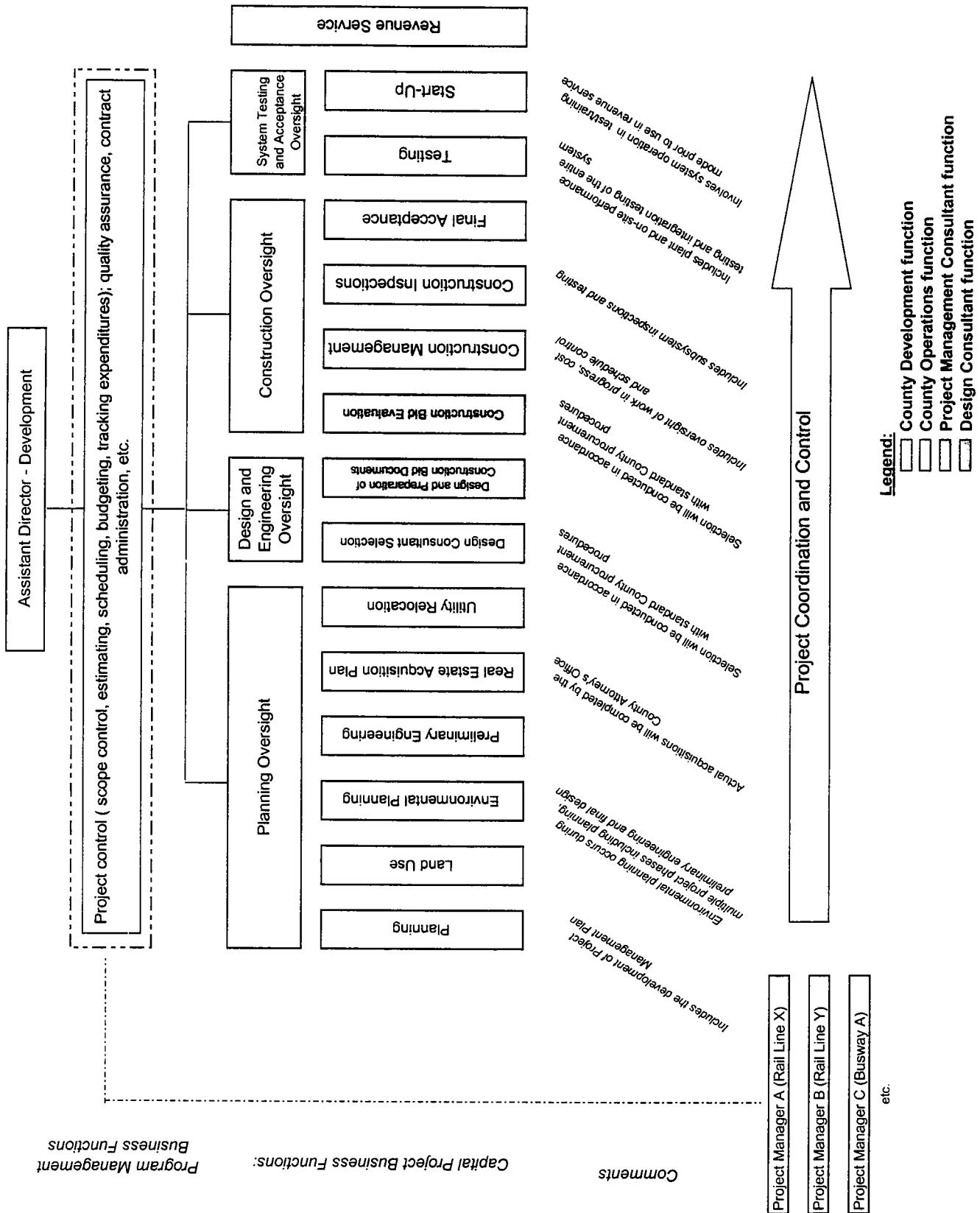
- Sense of ownership and institutional memory
- Retention of extensive in-house expertise, especially with old or unique technology
- If in-house staff is already in place, little lag time at project start-up
- Fewer procurement delays
- Easier to ensure public interest is represented (no competing private interests)

#### Challenges:

- If in-house staff is not yet in place, requires large scale hiring in compressed time frame
- For certain technologies (e.g. rail), limited labor supply may impede the attraction of needed expertise
- Overstaffing upon project completion, particularly where civil service protections are strong
- Less pressure to deliver product on time
- May be higher wages and benefits in-house
- Risk born entirely by the County

## Program Manager Model

Option I (modified): County as Program Manager, Design Consultant



## Strengths and Challenges of Program Management

### Option I (modified): County as Program Manager, Design Consultant

#### Strengths:

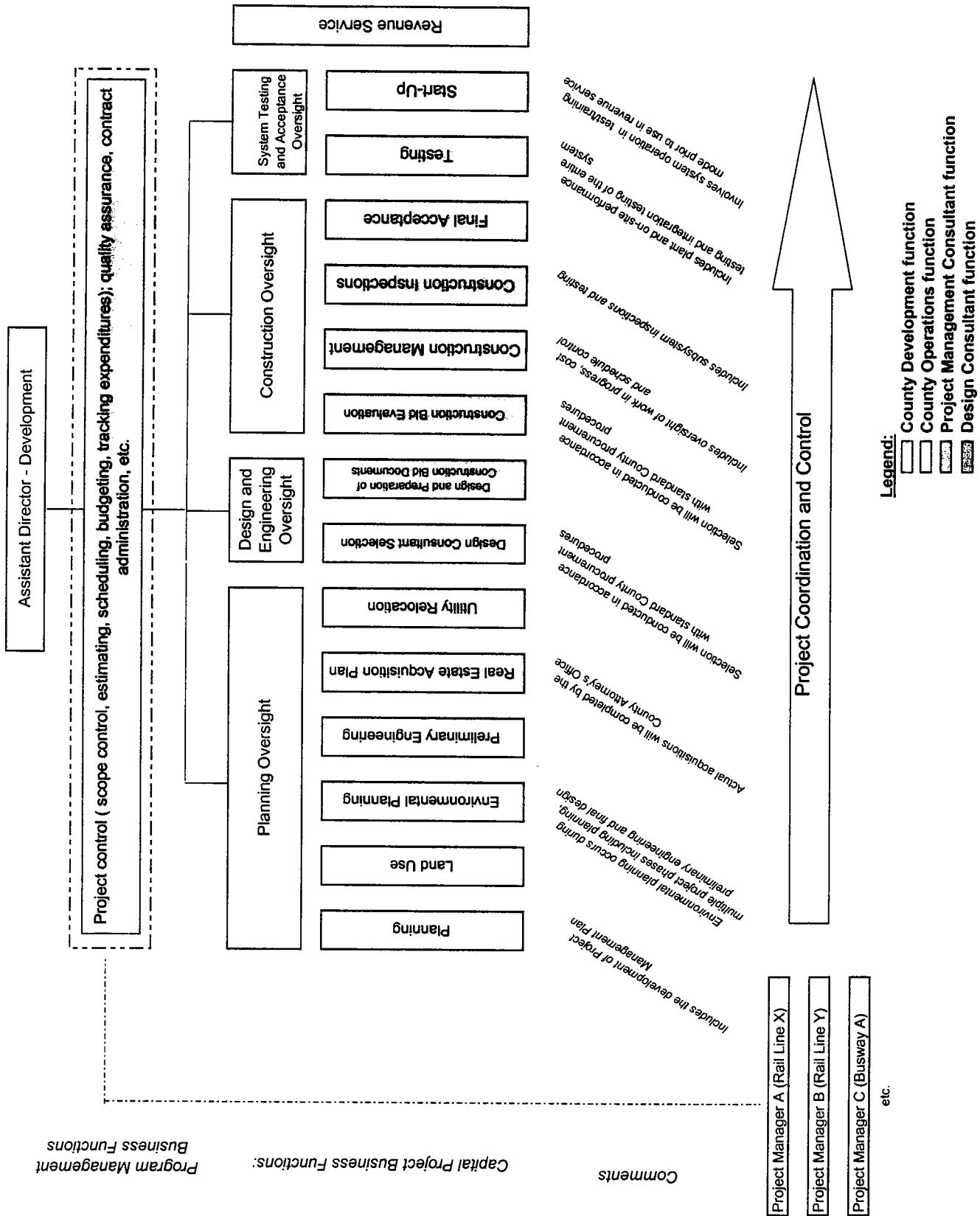
- Sense of ownership and institutional memory
- Retention of extensive in-house expertise, especially with old or unique technology
- Ability to attract needed design expertise
- Use of design consultants mitigates tendency to overstaff
- If in-house staff is already in place, little lag time at project start-up
- Fewer procurement delays
- Risk of Design Phase shared with Consultant

#### Challenges:

- If in-house staff is not yet in place, requires large scale hiring in compressed time frame
- For certain technologies (e.g. rail), limited labor supply may impede the attraction of needed expertise for functions other than design
- Overstaffing upon project completion, particularly where civil service protections are strong
- Less pressure to deliver product on time
- May be higher wages and benefits in-house
- Risk of all other phases born entirely by the County

## Program Manager Model

Option II: Private Program Manager, Design Consultant, Blend of County and Non-County Staff



**Strengths and Challenges of Program Management**  
**Option II:**  
**Private Program Manager, Design Consultant, Blend of**  
**County and Non-County Staff**

**Strengths:**

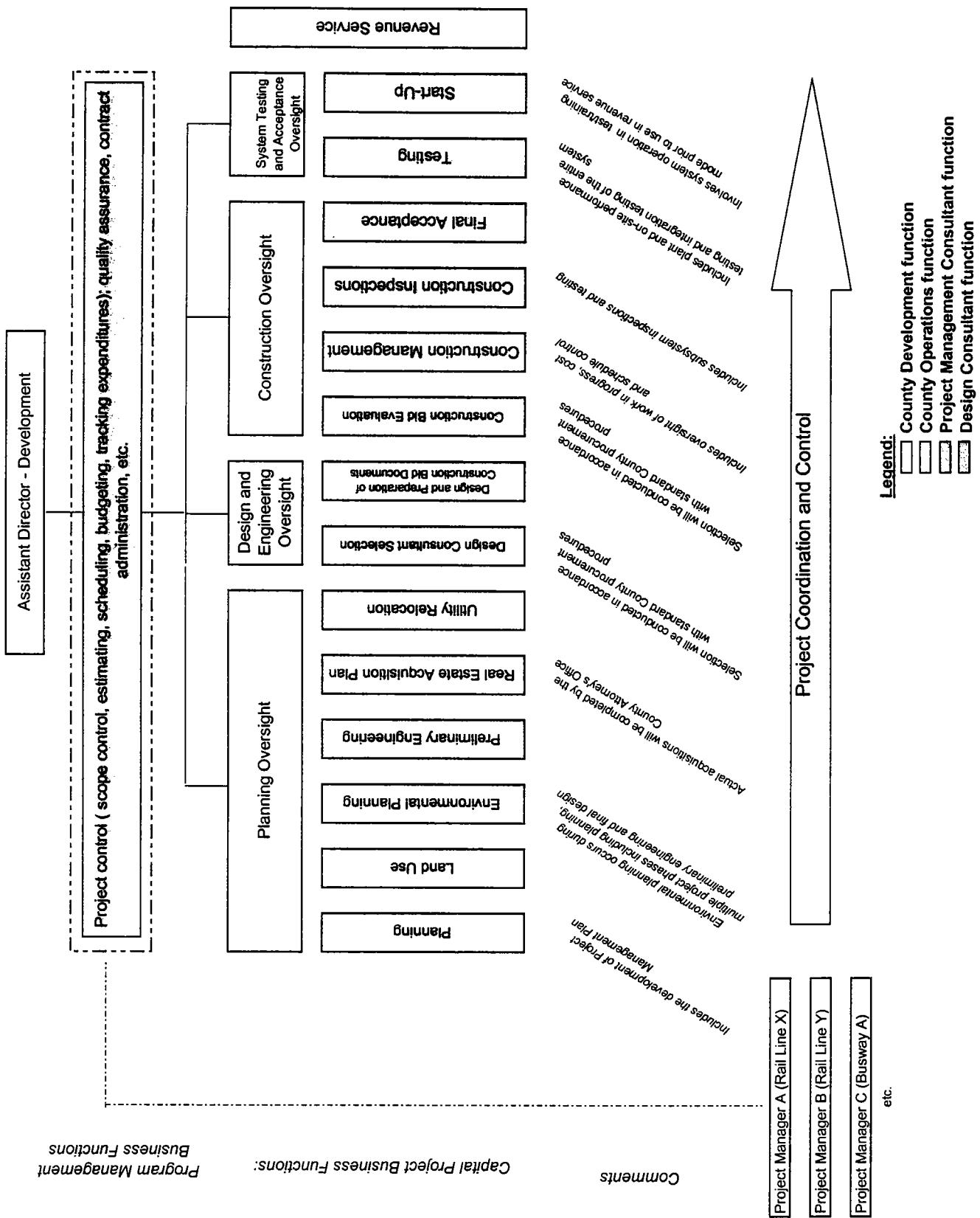
- Ability to attract needed expertise, especially for newer technology or technologies with limited labor supply
- Ability to control size of in-house staff while retaining some in-house knowledge
- Checks and balances between consultants and County staff
- Checks and balances between program manager and design consultant
- Greater pressure to deliver the product on time
- Work spread among multiple firms in the community
- Risk shared with Private Program Manager and Design Consultant

**Challenges:**

- Close coordination with in-house staff required, especially near project completion and transition to revenue service
- Risk of communication gaps and duplication of efforts between program manager and design consultant
- Risk of over-reliance on consultant expertise
- Procurement delays
- County must ensure public interest is represented (there will be competing private interests)

# Program Manager Client Model

## Option III: County Oversight, Private Program Manager



## **Strengths and Challenges of Program Management**

### **Option III:**

### **Private Program Manager**

#### **Strengths:**

- Ability to attract needed expertise, especially for newer technology or technologies with limited labor supply
- Ability to control size of in-house staff
- High degree of continuity through all phases of project life cycle
- May be simpler to manage relationship with a single contractor
- Greater pressure to deliver the product on time
- Risks shared with Private Program Manager

#### **Challenges:**

- Close coordination with in-house staff required, especially near project completion and transition to revenue service
- Risk of over-reliance on consultant expertise
- Limited retention of in-house knowledge
- Lack of checks and balances on design issues
- Procurement delays

## **Survey Highlights: Program Management**

- ❖ Overview of Survey Findings
- ❖ Transit Functions Completed In-House or Outsourced

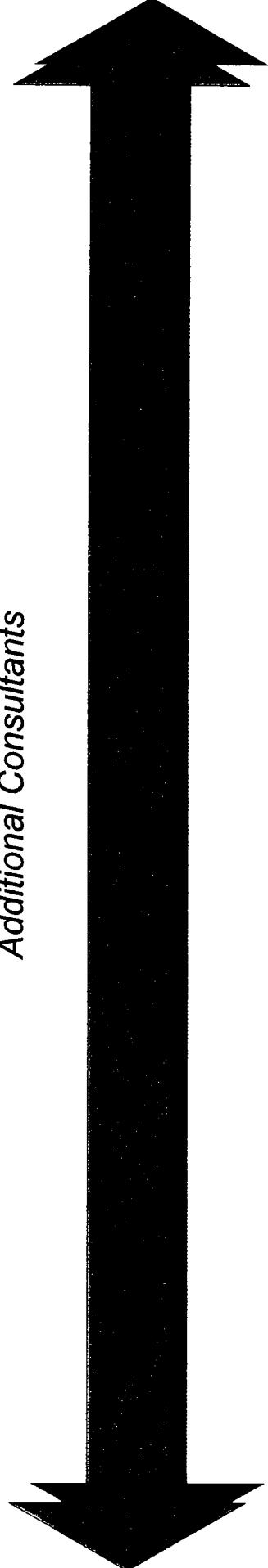
## Overview of Survey Findings: Program Management

Only  
Construction  
Outsourced

Design and Construction  
Outsourced, Some Use of  
Additional Consultants

Most

Development  
Functions  
Outsourced



X	San Francisco Municipal Railway	X	Metropolitan Council (Minneapolis-St. Paul) Most Projects	X	Metropolitan Atlanta Rapid Transit Authority	X	Washington Metropolitan Area Transit Authority	X	Metropolitan Council (Minneapolis-St. Paul) Hiawatha Light Rail Line	X	Santa Clara Valley Transportation Authority	X	Houston Metro	X	Phoenix Valley Metro Rail	X	Sound Transit (Seattle/Tacoma, WA)	X	Chicago Transit Authority
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## Transit Functions Completed In-House or Outsourced By Jurisdiction

	<b>Majority In-House</b>	<b>Majority Outsourced</b>	<b>50%-50%</b>
Program Planning	Atlanta, GA Boston, MA Houston, TX Minneapolis-St. Paul, MN	Phoenix, AZ San Francisco, CA Seattle, WA	Chicago, IL S.E. Pennsylvania
Program Management	Atlanta, GA Boston, MA Phoenix, AZ	San Francisco, CA Seattle, WA	Chicago, IL Houston, TX S.E. Pennsylvania Minneapolis-St. Paul, MN
Financial Planning	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN Phoenix, AZ	San Francisco, CA Santa Clara, CA Seattle, WA S.E. Pennsylvania Washington, D.C.	
Capital Planning	Atlanta, GA Boston, MA Houston, TX Minneapolis-St. Paul, MN Phoenix, AZ	San Francisco, CA Santa Clara, CA Seattle, WA S.E. Pennsylvania	Chicago, IL Washington, D.C.
Service Planning	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN Phoenix, AZ	San Francisco, CA Santa Clara, CA Seattle, WA S.E. Pennsylvania Washington, D.C.	
Citizen Participation	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN	Phoenix, AZ San Francisco, CA Santa Clara, CA Seattle, WA S.E. Pennsylvania	Washington, D.C.
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Environmental Impact Statements	Boston, MA Minneapolis-St. Paul, MN San Francisco, CA	Atlanta, GA Chicago, IL Houston, TX Phoenix, AZ Santa Clara, CA	Seattle, WA S.E. Pennsylvania Washington, D.C.
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Construction Management	Boston, MA Minneapolis-St. Paul, MN San Francisco, CA Washington, D.C.	Atlanta, GA Chicago, IL Phoenix, AZ Seattle, WA	S.E. Pennsylvania Houston, TX
Construction Inspections	Boston, MA San Francisco, CA Washington, D.C.	Atlanta, GA Chicago, IL Phoenix, AZ	Seattle, WA Houston, TX Minneapolis-St. Paul, MN S.E. Pennsylvania
Service Monitoring/Auditing	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN	Phoenix, AZ San Francisco, CA Seattle, WA S.E. Pennsylvania Washington, D.C.	
Service Delivery	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN	Minneapolis-St. Paul, MN San Francisco, CA Santa Clara, CA Seattle, WA Washington, D.C.	
Marketing/Media Relations	Boston, MA Chicago, IL San Francisco, CA Santa Clara, CA	Seattle, WA	Phoenix, AZ S.E. Pennsylvania Atlanta, GA Minneapolis-St. Paul, MN

## **BUSINESS PLAN UPDATE:**

- **MIAMI-DADE TRANSIT DEPARTMENT (MDT)**
- **RAPID TRANSIT DEVELOPMENT**
- **CITIZEN'S INDEPENDENT TRANSPORTATION TRUST  
SECRETARIAT**

**The draft business plans previously prepared by MDT and the Office of Public Transportation Management will be reorganized into plans reflecting the Departments as finally approved by the Board of County Commissioners.**

**At the same time, we will address the business plan concerns noted in the August 15, 2003 Transit Summer Study Report prepared by the Office of Performance Improvement.**